

REBUILDING AFGHANISTAN: OVERSIGHT OF DEFENSE DEPARTMENT INFRASTRUCTURE PROJECTS

HEARING

BEFORE THE

COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM
HOUSE OF REPRESENTATIVES
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REBUILDING AFGHANISTAN: OVERSIGHT OF DEFENSE DEPARTMENT INFRASTRUCTURE PROJECTS

Wednesday, March 16, 2016

HOUSE OF REPRESENTATIVES,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
WASHINGTON, D.C.

The committee met, pursuant to call, at 9:01 a.m., in Room 2154, Rayburn House Office Building, Hon. Jason Chaffetz [chairman of the committee] presiding.

Present: Representatives Chaffetz, Mica, Duncan, Jordan, Walberg, Amash, Gosar, Massie, DeSantis, Buck, Walker, Hice, Hurd, Palmer, Cummings, Maloney, Lynch, Cooper, Connolly, Kelly, Watson Coleman, Plaskett, Welch, and Lujan Grisham.

Chairman CHAFFETZ. The Committee on Oversight and Government Reform will come to order.

And without objection, the chair is authorized to declare a recess at any time.

We have an important hearing today, always good to be talking about this topic. We have had a number of hearings on this. We do appreciate all the panel members that are going to be here. I do have an opening statement, but in the essence of time, I am going to simply submit that for the record.

Chairman CHAFFETZ. And I am sure Mr. Cummings has an opening statement that we will submit to the record as well.

Chairman CHAFFETZ. The United States of America has put a lot of time, effort, money, and blood into making the world a better place, and there is a lot of good work that has gone on, but there is also something different we do in the United States, and that is we are self-critical. We go back, we look, and we determine what has gone right and what is not going so right. And so today, we are going to have such a discussion, and it will be a good, vibrant discussion.

So I would like to actually recognize the panel and then we will swear you in and we will get right off to the statements.

Mr. John Sopko is the Special Inspector General for Afghan Reconstruction. Ms. Christine Abizaid is the deputy assistant secretary of defense for Afghanistan, Pakistan, and Central Asia, the United States Department of Defense. It is my understanding that you will give the one opening statement on behalf of the Department of Defense and that the rest of the panel will all participate in answering of the questions.

We also welcome Mr. Howard Strickley, programs director for the United States Army Corps of Engineers, Transatlantic Division at

the United States Department of Defense; and Mr. Randy Brown, director of the Air Force Civil Engineering Center at the United States Department of Defense.

We welcome you all. We thank you for being here.

Pursuant to committee rules, all witnesses are to be sworn before they testify. If you will please rise and raise your right hand.

[Witnesses sworn.]

Chairman CHAFFETZ. Thank you. You may be seated. And let the record reflect that all witnesses answered in the affirmative.

I think you all have experience here. In order to allow time for discussion, we would appreciate your limiting testimony to no more than 20 minutes, or 5, whatever suits you best. I am just trying to make sure that we are—based on some of our hearings, that would be record time. But we will give you great latitude here. We would love to hear proactively your perspective.

Mr. Sopko, you are now recognized.

WITNESS STATEMENTS

STATEMENT OF JOHN SOPKO

Mr. SOPKO. Thank you very much. Chairman Chaffetz, Ranking Member Cummings, and members of the committee, it is a pleasure, as always, to testify before this committee and to testify about SIGAR's inspections of facilities and infrastructure built and renovated by the Department of Defense in Afghanistan. SIGAR has issued 37 inspection reports examining 45 DOD reconstruction projects in Afghanistan with a combined value of approximately \$1.1 billion.

Although these projects do not constitute a representative statistical sample of all DOD projects, they do provide us a valuable insight into the challenges facing reconstruction efforts in Afghanistan. And I would like to focus on five key takeaways from our work.

First, my inspection team found that some of the projects were well-built and met contract requirements and technical specifications. However, most did not.

Secondly, we at SIGAR understand that reconstruction is difficult in Afghanistan. We also recognize that DOD and its components have taken steps to improve the efficiency and effectiveness of reconstruction projects. For example, DOD has generally been responsive to the recommendations in our inspection reports and has implemented 79 of the 100 recommendations we've made.

Thirdly, despite these efforts, many of the projects we inspected had significant deficiencies caused in part by common and recurring problems such as unqualified contractors, poor workmanship, and inadequate oversight by DOD officials.

Fourthly, despite these problems, many contractors were still paid the full contract amount and not held accountable for their shoddy workmanship.

Fifth, we continue to be concerned—and I think this is an important point—we continue to be concerned about the Afghan Government's ability to sustain the numerous facilities DOD has built or transferred for it. Although we're not focusing on other agencies, we're also concerned about the buildings that USAID has built for

the Afghan Government and transferred to it, as well as the State Department.

Looking at just the base transfers alone, DOD has donated 391 former U.S. military bases worth approximately \$858 million to the Afghan Government since 2010. They all have to be maintained. The Afghan Government has proven itself unable to operate and maintain its facilities on a wide scale. For Afghan security forces facilities in particular, DOD is still spending millions of dollars each year in operation and maintenance services at many of them because the Afghans cannot do so themselves.

In light of these concerns, I was troubled to learn during my most recent trip to Afghanistan that our ongoing inspection of the new Ministry of Interior headquarters complex in Kabul uncovered extensive renovations being made to the headquarters building after it was supposed to have been completed, including installing dropped ceilings, tearing out recently poured concrete floors, tearing out electrical fixtures, and then replacing some of those floors with marble flooring in certain VIP and VVIP offices.

It appears DOD has contracted for these and other “enhancements” which are, according to the Statement of Work, “to improve the aesthetics of the internal finishes.” These enhancements are not only more costly and require more expertise to maintain but also replace features the Army Corps of Engineers originally constructed in accordance with DOD’s own contingency construction standards issued in 2009.

Examples like this, combined with the Afghan Government’s existing inability to operate and maintain its facilities, means the U.S. taxpayer will continue to expend funds indefinitely to sustain some of the facilities DOD has built.

And in conclusion, to enhance the administration and oversight of its reconstruction projects in Afghanistan, DOD should continue to improve its project planning and design process, guarantee contractors are qualified and capable, and conduct the oversight needed to ensure that facilities are built correctly and contracts are held accountable.

DOD should also continue to work with the Afghan Government to enhance its ability to operate, maintain, and sustain its facilities.

SIGAR will continue to work with DOD and Congress as it continues to oversee the critical work the United States and its coalition partners are undertaking, and we thank you for the opportunity to testify today about those efforts.

[Prepared statement of Mr. Sopko follows:]



SIGAR

Testimony

Before the Committee on Oversight and
Government Reform
U.S. House of Representatives

Oversight of Department of Defense Reconstruction Projects in Afghanistan

Statement of John F. Sopko,
Special Inspector General
for Afghanistan Reconstruction
March 16, 2016

Chairman Chaffetz, Ranking Member Cummings, and Members of the Committee,

I am pleased to be here today to discuss SIGAR's inspections of facilities and infrastructure built and renovated by the Department of Defense (DOD) using reconstruction funds.

After the Taliban was driven from power in 2001, the United States, along with other coalition partners, initiated projects to help reconstruct Afghanistan, which had been devastated by nearly 30 years of conflict. Through December 31, 2015, Congress had appropriated about \$113.1 billion for reconstruction activities in Afghanistan. The Department of Defense (DOD), the Department of State, and the U.S. Agency for International Development have carried out most of those reconstruction activities, which include capacity building programs; economic development projects; the acquisition of vehicles, equipment and clothing for the Afghan National Defense and Security Forces (ANDSF); and construction and renovation projects for various types of facilities and infrastructure for both ANDSF and civilian use.

Since its creation in 2008, SIGAR has issued 37 inspection reports examining 45 DOD reconstruction projects with a combined value of about \$1.1 billion.¹ The projects were located in 15 of Afghanistan's 34 provinces, and included 16 Afghan National Police (ANP) and 13 Afghan National Army (ANA) bases, 5 schools, 3 medical facilities, 3 incinerator locations, 2 storage facilities, 1 road, 1 bridge, and 1 electrical plant. These projects do not constitute a representative sample of all DOD reconstruction projects. As a result, we do not use our findings to draw conclusions about the full population of DOD reconstruction projects. However, our findings provide valuable insight into the varying quality of projects that exist and the reasons for these project outcomes. Figure 1 shows the location of each of the 45 DOD reconstruction projects we inspected.

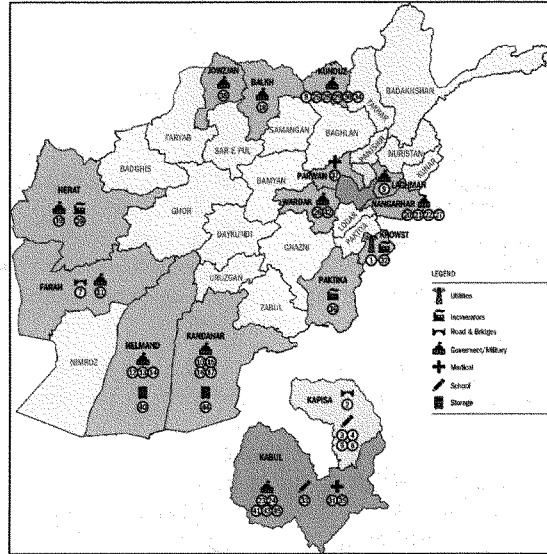
My testimony today will discuss our March 11, 2016, report that analyzes and identifies common themes across the 36 inspection reports we issued from July 2009 through September 2015.² It also includes findings from our more recent inspection of the Afghan Ministry of Defense (MOD) headquarters building located in Kabul.³

¹ From July 2009 through September 2015, we completed 12 inspections of Department of State and U.S. Agency for International Development reconstruction projects. We plan to issue an analysis of those reports in mid-2016.

² SIGAR 16-22-IP, *Department of Defense Reconstruction Projects: Summary of SIGAR Inspection Reports Issued from July 2009 through September 2015*, March 11, 2016.

³ SIGAR 16-16-IP, *Afghan Ministry of Defense Headquarters: \$154.7 Million Building Appears Well Built, but Has Several Construction Issues that Should Be Assessed*, February 11, 2016.

Figure 1 - DOD Projects SIGAR Has Inspected Since 2009



Source: SIGAR analysis

Notes: This map is not intended to show the exact location of the projects. It solely indicates the provinces in which the projects are located. The numbers on the map correspond to the projects we inspected and the order in which those inspections occurred. Appendix I lists each project and its corresponding map number.

Background

Two of DOD's reconstruction objectives in Afghanistan were to (1) train, equip, base, and sustain the Afghan National Defense and Security Forces (ANDSF), comprised of the ANA and ANP, and (2) respond to urgent humanitarian relief and small-scale reconstruction projects to support local Afghan communities.⁴ The majority of all U.S. reconstruction funding—about \$72.4 billion, or more than 64 percent, of the \$113.1 billion appropriated as

⁴ The ANA and ANP were known collectively as the Afghan National Security Forces until 2015, when the name was changed to the Afghan National Defense and Security Forces.

of December 2015—has been allocated to DOD to accomplish these missions. DOD's reconstruction projects primarily have been funded through the Afghanistan Security Forces Fund (ASFF) (\$63.9 billion) and the Commander's Emergency Response Program (CERP) (\$3.7 billion).⁵

Congress created the ASFF to provide the ANDSF with equipment, supplies, services, training, and salaries, as well as facility and infrastructure repair, renovation, and construction. Through December 31, 2015, DOD had disbursed about \$56.2 billion of ASFF funds. The largest portion of funds disbursed from the ASFF, or about \$37.6 billion, went to sustain the ANA; \$18.2 billion went to sustain the ANP; and the remaining \$387.4 million went to related activities. DOD also reported that through this same time period, it disbursed approximately \$5.7 billion from the ASFF to support infrastructure projects for the ANDSF. These projects included, among other things, military headquarters, barracks, schools and other training facilities, police checkpoint structures, airfields, and roads.

CERP was established in 2003, under the Coalition Provisional Authority in Iraq, to enable military commanders to respond to urgent humanitarian relief requirements in Iraq and Afghanistan.⁶ Congress has appropriated approximately \$3.7 billion for CERP in Afghanistan, and, as of December 31, 2015, DOD reported that about \$2.3 billion of those funds had been expended. CERP funds generally are intended for use on small-scale projects, which are estimated to cost less than \$500,000, though CERP funds have been spent on many projects that cost more than that amount. Program guidance restricts CERP to 20 authorized purposes, including electricity, transportation, education, healthcare, and water and sanitation projects. U.S. commanders have used CERP to fund projects in all 34 provinces in Afghanistan.

The U.S. Central Command is responsible for military activities in southwest Asia, and, therefore, has Afghanistan within its area of responsibility. Within Afghanistan, U.S. Forces–Afghanistan (USFOR-A) has overall responsibility for military operations, including DOD's reconstruction program. The Combined Security Transition Command–Afghanistan (CSTC-A), under USFOR-A's command, has responsibility for funding the country-wide building program to support the national, regional, and district-level operations of the ANDSF. With regards to implementation, the U.S. Army Corps of Engineers (USACE) has been responsible for awarding contracts for and overseeing most of the reconstruction projects funded through the ASFF. The Air Force Civil Engineer Center (AFCEC), previously the Air Force Center for

⁵ DOD also received funding to support its reconstruction efforts in Afghanistan from several other sources, such as the Afghanistan Infrastructure Fund. Combined, the other sources of funding totaled \$4.7 billion through December 31, 2015.

⁶ The Coalition Provisional Authority was established as the transitional government of Iraq following the U.S. invasion of Iraq in March 2003.

Engineering and the Environment (AFCEE), has also awarded several reconstruction contracts.⁷ USFOR-A components, such as joint task forces and provincial reconstruction teams, have been involved in administering most of the contracts for and overseeing CERP-funded projects.⁸

SIGAR's Inspection Program

SIGAR began its inspections of DOD reconstruction projects in May 2009 and issued its first inspection report in July 2009.⁹ Our inspections are assessments of facilities and infrastructure built or renovated using reconstruction funds. Generally, our inspection objectives are to determine the extent to which (1) construction met contract requirements and technical specifications, and (2) facilities were being used by their intended recipients. As part of this assessment, we determine, among other things, whether the facilities are structurally sound and completed on time and within budget.

Prior to visiting a project site, our inspection team reviews project documents, including, when available, the construction contract, modifications to the contract, design drawings, applicable international and DOD building codes, and quality assurance and other oversight reports. Reviewing these documents helps to identify specific criteria for determining whether construction was performed according to contract requirements, and, if not, whether the responsible administering agency provided adequate project oversight. During the on-site visits, our inspection team examines the quality of the construction to determine such things as whether the facilities are (1) in compliance with contract requirements and technical specifications, (2) structurally sound, (3) complete, and (4) being used. In addition to inspecting the facilities, when appropriate, the team obtains views about the project from contractors as well as U.S. and Afghan government officials.

Depending on the outcomes of our inspections, we may make recommendations to improve the efficiency and effectiveness of construction efforts. We have an established

⁷ On October 1, 2012, the Air Force Center for Engineering and the Environment, the Air Force Civil Engineer Support Agency, and the Air Force Real Property Agency merged to become the Air Force Civil Engineer Center.

⁸ Provincial reconstruction teams were key instruments through which the international community delivered assistance at the provincial and district level. The U.S.-managed provincial reconstruction teams were interim organizations used to improve security, support good governance, and enhance provincial development.

⁹ SIGAR Inspection 09-01, *Inspection of Improvements to the Khowst City Electrical Power System: Safety and Sustainability Issues Were Not Adequately Addressed*, July 28, 2009.

recommendation follow-up process with DOD to track the corrective actions taken or target dates for completing the corrective actions for each recommendation.¹⁰

Our inspections were conducted under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended. Of the 37 inspections SIGAR conducted since 2009, 28 were completed in accordance with Quality Standards for Inspection and Evaluation, published by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). The 9 remaining inspections were conducted in accordance with generally accepted government auditing standards (GAGAS). The engineering assessments were conducted by our professional engineers in accordance with the National Society of Professional Engineers' Code of Ethics for Engineers. Appendix I lists the 37 inspection reports we have completed on DOD reconstruction projects, including their respective costs, administering agency, findings, and recommendations. Appendix II lists the reports and information about whether the facilities were built as required and were being used at the time of our inspections.

Impact of the Military Drawdown in Afghanistan

With the drawdown of U.S. and coalition forces beginning in June 2011, significant portions of Afghanistan became inaccessible to SIGAR and others conducting oversight of reconstruction activities, as well as the agencies implementing reconstruction efforts. For the majority of DOD reconstruction project inspections, we were able to personally visit the project site. However, security concerns on the ground sometimes limited our inspection teams' ability to conduct on-site project assessments. For example, in some cases, we had a limited amount of time on site to perform our inspections because of security and other concerns.

Further, as time went on, with the drawdown of U.S. forces combined with the increase in insurgent activity, we were not able to reach some project locations to conduct a physical inspection. For example, our inspections team was scheduled to visit the Gereshk Cold and Dry Storage Facility project site in Helmand province on two occasions in January and March 2014. Although the site was located within an area that allowed civilian visits when security conditions were deemed to be safe, both visit requests were denied. International Security Assistance Force officials told us that the requests were denied because that area had high insurgent activity and was unsafe to visit. Instead, we relied heavily on an extensive

¹⁰ For a detailed explanation of SIGAR's recommendation follow-up process, see SIGAR 15-29-AR, *Department of Defense: More than 75 Percent of All SIGAR Audit and Inspection Report Recommendations Have Been Implemented*, January 15, 2015.

collection of contract and management documentation, including photos and site visit reports, as well as information from Afghan government officials.

Our ability to access project sites in Kabul has even been limited. For example, during our inspection of the MOD headquarters building, despite having military logistics support, we had to reschedule some of our site visits multiple times due to security conditions.

As an alternative means for conducting oversight, due to a limited ability to travel within Afghanistan, we have hired Afghan engineers and analysts to assist with our inspection work, with four currently on staff. In addition, in December 2014, we entered into an agreement with vetted and well-trained Afghan civil society partners to assist us with our inspections. These partners conduct site visits and engineering assessments of various reconstruction projects on our behalf and report back to us on the results. We have assigned an agreement officer to work closely with those partners to ensure their work meets GAGAS or CIGIE Quality Standards for Inspection and Evaluation, in addition to SIGAR's internal quality control requirements. Through this partnership, in 2015, we were able to expand our oversight coverage, and we plan to increase our coverage even further in 2016.

Most of the Facilities SIGAR Inspected Did Not Meet Contract Requirement or Technical Specifications

Of the 45 DOD reconstruction projects we inspected, 17 met contract requirements and technical specifications. These projects demonstrate that high-quality work can be completed when contractors adhere to requirements and there is adequate oversight. Afghan support can also have a positive impact on the outcome of a project. For example, in April 2013, we reported that the Qala-i-Muslim medical clinic in Kabul province appeared to be a success story.¹¹ The community of 4,000 people supported the clinic's construction, and a villager donated the land. During our inspection, we did not observe any major deficiencies and found that the clinic had working heat, electrical, and water systems; floors were clean; bedding was plentiful and well kept; and the separate pharmacy building was well stocked. We also noted that the Afghan Ministry of Public Health had signed an agreement as part of the approval process to sustain the clinic upon completion and that it had fulfilled its commitment to do so.

¹¹ SIGAR Inspection 13-07, *Qala-i-Muslim Medical Clinic: Serving the Community Well, But Construction Quality Could Not Be Fully Assessed*, April 17, 2013.

In our October 2009 inspection of the \$6.6 million Mahmood Razi to Nijrab road project in Kapisa province, we reported that the project, which was administered by the Kapisa provincial reconstruction team, was on schedule, and the Afghan contractor was adhering to Afghan road construction standards to grade and widen the road to meet alignment and road width requirements.¹² We spot checked the base course construction in three places and found that the thickness and width conformed to the standards. In another example, the contractor was responsible for repairing, constructing, or extending 58 culverts along the roadway, as well as repairing and resurfacing five existing bridges and constructing a new 16-meter long bridge.¹³ We determined that the level of workmanship was adequate and found no major deficiencies in the design or construction of the culverts or bridge work.

During our recent inspection of the \$154.7 million MOD headquarters building, we determined that the building generally met contract requirements and technical specifications. However, we identified some deficiencies that could affect the building's structural integrity during an earthquake or prolonged periods of rain.¹⁴ Specifically, we found issues with building separation joints needed for seismic activity; equipment without lateral bracing, which is needed for seismic activity; inadequate roof drains to remove storm water; and stairway handrails that were installed below the required height.

The 28 remaining projects had construction work that did not meet contract requirements or technical specifications. The deficiencies we found during these inspections generally fit into three categories:

1. Soil issues, including inadequate site preparation and collapsible soil due to poor grading.
2. Systems problems related, but not limited to, electrical, water, and sewer distribution, including improperly installed heating, cooling, and ventilation systems; inoperable water systems; improper testing and commissioning of mechanical systems; and non-code-compliant electrical wiring.
3. Structural problems, such as the use of sub-standard, inadequate, and irregular building materials; poorly mixed, cured, and reinforced concrete; and improperly installed roofs, which led to leaks.

¹² SIGAR Inspection 09-02, *Inspection of Mahmood Razi to Nijrab Road Project in Kapisa Province: Contract Requirements Met; but Sustainability Concerns Exist*, October 2, 2009

¹³ A culvert is a structure that allows water to flow under a road from one side to the other side, and can be made from a pipe, reinforced concrete, or other material.

¹⁴ SIGAR 16-16-IP, *Afghan Ministry of Defense Headquarters: \$154.7 Million Building Appears Well Built, but Has Several Construction Issues that Should Be Assessed*, February 11, 2016.

We found that poor contractor performance and inadequate government oversight were the primary contributors to non-adherence to contract requirements and technical specifications.

Of the 28 projects, 16 had deficiencies so severe that they threatened the structural integrity of the buildings and the safety of their occupants. For example, during our January 2013 inspection of the Bathkhak School in Kabul province, we found that the contractor substituted a concrete slab roof for the wood-trussed roof required by the contract, raising safety concerns for the occupants due to the school's location in an area of high seismic activity.¹⁵ We also found construction flaws that could compromise the school's structural integrity, including large gaps between bricks in the walls that supported the concrete roof; walls that did not appear to be reinforced; and honeycombing, exposed rebar, and concrete form boards remaining in the concrete slab roof. These deficiencies were so serious and potentially life threatening that we sent a safety alert letter to the Commander of USFOR-A, urging a delay in the transfer of the newly constructed school buildings to the Afghan government until our inspection report was issued and the Commander could take action to address the full set of concerns discussed in the report.¹⁶

In our January 2015 inspection report on the nearly \$500,000 Afghan Special Police Training Center's dry fire range, we reported that the buildings in the facility began to disintegrate within 4 months of the range's completion.¹⁷ This disintegration, or "melting," occurred because Qesmatullah Nasrat Construction Company, an Afghan firm, failed to adhere to contract requirements and international building standards, and used substandard materials. We also found poor government oversight throughout all phases of the project. Specifically, the contracting officer's representatives failed to identify any construction deficiencies. Further, despite the deficiencies, the Regional Contracting Center accepted the facilities and failed to hold the contractor fully accountable for correcting those deficiencies before the contract warranty expired. As a result, the range's safety and long-term sustainability were compromised. The Afghan government had to demolish and rebuild the dry fire range using its own funds, resulting in a waste of U.S. taxpayers' money.

DOD has taken some steps to improve its processes to enhance control and accountability for its projects. For example, as soon as we informed USACE of the lack of water at the Afghan Border Police Base Lal Por 2, it assembled a project development team to find a

¹⁵ SIGAR Inspection 13-10, *Bathkhak School: Unauthorized Contract Design Changes and Poor Construction Could Compromise Structural Integrity*, July 24, 2013.

¹⁶ SIGAR SP-13-5, *Safety Alert Letter: Bathkhak School*, June 21, 2013.

¹⁷ SIGAR 15-27-IP, *Afghan Special Police Training Center's Dry Fire Range: Poor Contractor Performance and Poor Government Oversight Led to Project Failure*, January 13, 2015.

solution to the lack of water issue that prevented Lal Por 2 from being used.¹⁸ In June 2011, USACE noted that it began mandating hydro-geologist reviews to assess the water supply as part of its site assessments. In 2012, after several of our reports identified missing contract and project documentation as a problem that affected our ability to perform complete and thorough audits and inspections, USACE issued a new policy for the certification and training of contracting officer's representatives, particularly to emphasize the importance of documentation in their files.

Further, USFOR-A stated in comments to our Abdul Manan School inspection report in 2009 that provincial reconstruction teams without engineer and construction inspectors drawn from military organizations should not be allowed to conduct construction-related CERP initiatives.¹⁹ During that inspection, we found that the facility was not built as required and was not being used. Further, the contract's Statement of Work did not include major construction elements, resulting in a contract modification and cost increase. It was later determined that the contract was in violation of CERP guidelines, resulting in the termination of the contract and the project being re-bid.²⁰

Despite DOD's efforts to establish procedures and improve processes, serious problems continued with its reconstruction projects. For example, CSTC-A acknowledged that in 2009, it "only had about thirty personnel to manage the program, a clearly insufficient number to both plan and execute." However, CSTC-A added that it had taken, and continued to take, multiple actions to improve required oversight, including obtaining more personnel to do it.²¹ CSTC-A stated that it had begun to expand its engineering staff from 30 in early 2010 to 96 in early 2011, and was trying to secure an additional 66 engineers. In addition, the command noted changes in management and contracting guidance designed to improve planning and oversight.

However, problems persisted. For example, construction of the Afghan Special Police's Dry Fire Range and the Bathkhak School started in 2012. We identified unapproved product substitution as a problem with both projects, an issue we had raised in prior reports. In our July 2013 quarterly report to Congress, we wrote that "Investigations, along with SIGAR's

¹⁸ SIGAR Inspection 12-01, *Construction Deficiencies at Afghan Border Police Bases Put \$19 Million Investment at Risk*, July 30, 2012.

¹⁹ SIGAR Inspection 10-02, *Inspection of Abdul Manan Secondary School Construction Project in Kapisa Province: Insufficient Planning, Safety Problems, and Poor Quality Control Affect Project Results*, October 26, 2009.

²⁰ The initial contract was awarded to the Provincial Director of Education as the prime contractor in September 2008. Revised CERP guidelines issued by U.S. Central Command in late 2008 prohibited line ministries from serving as contracting parties for projects funded by CERP. As a result, the original contract was terminated, and a new contract was put out for bid.

²¹ SIGAR Audit 11-6, *Inadequate Planning for ANSF Facilities Increases Risk for \$11.4 Billion Program*, January 26, 2011.

audits, inspections, and special projects, highlight serious shortcomings in U.S. oversight of contracts: poor planning, delayed or inadequate inspections, insufficient documentation, dubious decisions, and—perhaps most troubling—a pervasive lack of accountability.”^{22,23}

At the Time of SIGAR’s Inspections, About One-third of the 22 Completed Projects Were Not Being Used, and 23 Projects Were Incomplete

Of the 45 DOD reconstruction projects that we inspected, at the time of our inspections, 22 were complete and 23 were incomplete. Of the 22 projects that were complete, 15 were being used and 7, or about one-third of the completed projects, had never been used. We found that usage of the 15 projects varied with some projects being fully used and others only partially used. For example, the Qala-i-Muslim Medical Clinic was being fully used when we inspected it. During our January 2013 site inspection, the clinic director told us that the clinic was serving between 200 and 300 patients per month.²⁴ Records we reviewed indicated that 1,565 outpatient consultations, 63 prenatal patients, and 63 newborn deliveries had occurred since the clinic opened in September 2011.

In other cases, we found the facilities were completed but were only partially being used, such as the MOD headquarters building, the Salang hospital, and the Iman Sahib Border Police Headquarters. For example, in January 2014, we reported that although the Salang hospital in Parwan province was being used, it was not providing many of the services that it was intended to provide.²⁵ In addition, the hospital staff were only using about 35 percent of the square footage of the constructed facility, and the hospital employed less than 20 percent of the staff it was expected to employ. According to the doctors and nurses on site during our inspection, the limited use—due primarily to the lack of electricity, water, furniture, and equipment—had prevented them from providing optimal medical care. For example, because there was no clean water, hospital staff were washing newborns with untreated river water.

Seven of the 14 completed projects had never been used at the time of our inspection. For example, in October 2013, we reported that the Walayatti Medical Clinic had not been used

²² See SIGAR, *Quarterly Report to the United States Congress*, July 30, 2013.

²³ The DOD Inspector General found similar recurring problems in construction for the U.S. military (see DODIG-2015-059, *Military Construction in a Contingency Environment: Summary of Weaknesses Identified in Reports Issued From January 1, 2008, Through March 31, 2014*, January 9, 2015).

²⁴ SIGAR Inspection 13-07, *Qala-i-Muslim Medical Clinic: Serving the Community Well, But Construction Quality Could Not Be Fully Assessed*, April 17, 2013.

²⁵ SIGAR 14-31-IP, *Salang Hospital: Lack of Water and Power Severely Limits Hospital Services, and Major Construction Deficiencies Raise Safety Concerns*, January 29, 2014.

despite having been completed 20 months earlier.²⁶ The clinic had no medical equipment and had not been staffed. Further, there was no evidence that the clinic had been properly transferred to the Afghan government or that the Ministry of Public Health planned to supply equipment for or staff the clinic. A ministry official told us that the clinic was not included in the ministry's operation and maintenance plan because the U.S. government had failed to coordinate with the Ministry of Public Health's Policy and Planning Directorate, and had not officially transferred the facility to the Afghan government. The project files contained no documentation of the clinic's transfer to the Afghan government after construction was completed.

In July 2014, we reported that the Gereshk Cold and Dry Storage Facility in Helmand province—a \$2.89 million facility funded by DOD's Task Force for Business and Stability Operations (TFBSO) and built under a USACE-administered contract—had been completed and was well constructed, but had never been used and was not being maintained.²⁷ Construction was completed in May 2013, and the storage facility was transferred to the Afghan government in September 2013. However, TFBSO did not achieve what it told us was the key to the project's success—the operation, maintenance, and control of the facility by an Afghan business. The Afghan Ministry of Commerce and Industry was still looking for private-sector investors.

Of the 23 projects that were incomplete at the time of our inspection, 6 projects were still under construction within their originally scheduled completion dates and, therefore, would not have been ready for use at the time we inspected them. These were the Habib Rahman Secondary School, the Kohi Girls' School, the Tojg Bridge, the ANA Garrison at Gamberi, the ANP Main Road Security Company, and the Bathkhak School. Five projects were incomplete due to project termination or for reasons we could not determine at the time of our inspections. For example, the ANA slaughterhouse project was terminated before completion. The 12 remaining projects were experiencing construction delays that had extended their completion past their original schedules. Seven of the 23 projects were being used to some extent at the time of our inspections. For example, despite being incomplete, ANA personnel were using the ANA Garrison at Kunduz.

With respect to the 12 projects experiencing construction delays, we determined that at the time of our inspections, the delays ranged from 5 months to over 2 years and 7 months beyond the projects' originally scheduled completion dates. The primary factors contributing

²⁶ SIGAR 14-10-IP, *Walayatti Medical Clinic: Facility Was Not Constructed According to Design Specifications and Has Never Been Used*, October 30, 2013.

²⁷ SIGAR 14-82-IP, *Gereshk Cold and Dry Storage Facility: Quality of Construction Appears To Be Good, but the Facility Has Not Been Used to Date*, July 16, 2014.

to delays included poor contractor performance, insurgent activity, inclement weather, and contract modifications, as well as inadequate planning and oversight. For example, the ANP provincial headquarters in Kunduz was not complete and was experiencing construction delays of about 1 year at the time of our on-site inspection.²⁸

During our review of construction at the Kabul Military Training Center, we found that about 80 percent of all AFCEE projects constructed on CSTC-A's behalf had experienced schedule delays.²⁹ Although AFCEE has since taken corrective action, between 2006 and 2010, our review of AFCEE data showed that 33 of 41 AFCEE construction projects for CSTC-A were delayed. The delays, caused by a variety of factors including contractor performance problems, ranged from 1 month to 2 years, and averaged 10 months.

DOD Has Implemented the Majority of Recommendations Made in SIGAR's Inspection Reports

In our 37 inspection reports of DOD projects, we made 100 recommendations to the department to correct the construction deficiencies we identified and improve the efficiency and effectiveness of its reconstruction activities. As of February 26, 2016, we had closed 93 of those recommendations. Of those 100 recommendations, DOD concurred with and implemented 79 recommendations. Although DOD did not implement 14 of the remaining recommendations, we closed these recommendations because (1) DOD did not concur with the recommendation or took no action on the recommendation, and we believed no further action would be taken; (2) DOD did not take timely action, which rendered the recommendation moot; or (3) planned work superseded the recommendation.

As of February 26, 2016, seven recommendations remained open. This included five recommendations that were still within the initial 60-day period between report issuance and our initial follow up with DOD. Of the seven total open recommendations, we made five of those recommendations to U.S. Central Command subordinate commands and two to USACE. As part of our follow-up process, we will continue to monitor the open recommendations to determine if DOD is taking appropriate steps to implement the recommendations. Appendix I lists the recommendations we made by inspection report and the current status of those recommendations.

²⁸ SIGAR Inspection 13-4, *Kunduz Afghan National Police Provincial Headquarters: After Construction Delays and Cost Increases, Concerns Remain About the Facility's Usability and Sustainability*, January 24, 2013

²⁹ SIGAR Audit 12-02, *Better Planning and Oversight Could Have Reduced Construction Delays and Costs at the Kabul Military Training Center*, October 26, 2011.

The high implementation rate indicates that DOD was generally responsive to taking action to implement our recommendations. For example:

- CSTC-A agreed with our finding that the stairway handrails in the MOD headquarters building were installed below the required height and noted in its comments on a draft of our report that the contractor corrected the deficiency. We verified during a January 2016 follow up site visit that the handrails had been fixed.³⁰
- USACE agreed with the deficiencies we identified at all three Afghan Border Police bases in Nangarhar province that we inspected, including critical water supply and septic and sewage system deficiencies. USACE noted that the contractor had corrected many of the deficiencies prior to the issuance of our report.³¹ USACE also noted that it officially notified the contractor to remediate the remaining deficiencies within the contract warranty period and that it withheld almost \$700,000 in retainage and liquidated damages pending satisfactory closeout submittal and approval.³²
- USACE took immediate action at the ANA Garrison in Gamberi to (1) remedy possible flooding by having drainage areas examined and repaired, and have the contractor conduct frequent surveys for future deteriorating conditions; (2) repair a bridge near the garrison's main entrance that we believed could collapse under heavy traffic because its deck service had been compromised; and (3) designed and planned for the installation of a perimeter fence that we said was needed to secure the weapons training range.³³
- The Kapisa provincial reconstruction team concurred with our recommendation to award a follow-up contract to repair the many deficiencies uncovered during our inspection at the Farukh Shah School, including the need to properly grade and compact the construction site's soil to prevent erosion from undermining the foundation of the school's various structures.³⁴

Although DOD corrected some of the construction deficiencies, making the repairs sometimes resulted in additional expenditures beyond the initial cost of the contracts. For example, at the ANP provincial headquarters in Kunduz, USACE's failure to address potential collapsible soil conditions as part of its \$12.4 million contract award caused a 10-month

³⁰ SIGAR 16-16-IP, *Afghan Ministry of Defense Headquarters: \$154.7 Million Building Appears Well Built, but Has Several Construction Issues that Should Be Assessed*, February 11, 2016.

³¹ Although we did not issue the final report until July 2012, in April 2012, we briefed USACE on the issues we identified during our site visits and potential solutions.

³² SIGAR Inspection 12-01, *Construction Deficiencies at Afghan Border Police Bases Put \$19 Million Investment at Risk*, July 30, 2012.

³³ SIGAR Audit 10-10, *ANA Garrison at Gamberi Appears Well Built Overall but Some Construction Issues Need to Be Addressed*, April 30, 2010.

³⁴ SIGAR Inspection 10-01, *Inspection of Farukh Shah School Construction Project in Kapisa Province: Project Completion Approved Before All Contract Requirements Met*, October 26, 2009.

delay in the project's completion and a \$5 million cost increase.³⁵ In addition, repairs to the Farukh Shah School would require a follow-up contract beyond the \$150,000 in CERP funds already spent. Our reports did not routinely break down additional repair costs since some projects were ongoing at the time of our inspections or additional contracts would occur after our inspections. As a result, we could not determine the total amount spent to make various repairs we identified.

SIGAR Remains Concerned about the Afghan Government's Ability to Maintain DOD-constructed Facilities

We have been expressing concern about the sustainability of facilities and infrastructure in Afghanistan since we issued our first inspection reports in 2009. For example, we noted that the Afghan government may have difficulty operating and maintaining the electrical power system in the city of Khowst, even after a \$1.6 million contract to improve the system.³⁶ We also questioned the sustainability of the \$6.6 million Mahmood Raqi to Nijrab road construction project in Kapisa province due to the demands that would be placed on the road and the inability of the local Afghan authorities to maintain improved roads due to a lack of proper equipment, material, personnel, and expertise.³⁷

In our 2012 audit of two USACE-administered contracts for the operation and maintenance of ANDSF facilities across Afghanistan, we found that the Afghan government will likely be incapable of fully sustaining ANDSF facilities after the transition of security responsibility to the Afghans at the end of 2014 and the expected decrease in U.S. and coalition support.³⁸ The Afghan government's challenges in assuming O&M responsibilities include a lack of sufficient numbers and quality of personnel, as well as undeveloped budgeting, procurement, and logistics systems.

Recognizing the importance of the sustainability of facilities, infrastructure, and other reconstruction programs, in December 2014, we issued our first High-Risk List to call attention to program areas and elements of the U.S.-funded reconstruction effort in

³⁵ SIGAR Inspection 13-4, *Kunduz Afghan National Police Provincial Headquarters: After Construction Delays and Cost Increases, Concerns Remain about the Facility's Usability and Sustainability*, January 24, 2013.

³⁶ SIGAR Inspection 09-01, *Improvements to the Khowst City Electrical Power System: Safety and Sustainability Issues Were Not Adequately Addressed*, July 28, 2009.

³⁷ SIGAR Inspection 09-02, *Mahmood Raqi to Nijrab Road Construction Project in Kapisa Province: Contract Requirements Met, But Sustainability Concerns Exist*, October 2, 2009.

³⁸ SIGAR Audit 13-1, *Afghan National Security Forces Facilities: Concerns with Funding, Oversight, and Sustainability for Operation and Maintenance*, October 30, 2012.

Afghanistan that are especially vulnerable to significant waste, fraud, and abuse.³⁹ The list identifies seven key program areas that are essential to the success of the reconstruction effort. In other words, if there is a failure in any of these areas, the entire 13-year reconstruction effort could fail, resulting in billions of dollars in taxpayer funds being wasted. Sustainability is one of the key program areas we identified.⁴⁰ We noted that much of the more than \$107 billion the United States had committed to reconstruction projects and programs as of December 2014 is at risk of being wasted because the Afghans cannot sustain the investment without significant support from the United States and other donors. Specifically, based on our work, we concluded that the Afghans lack the capacity—financial, technical, managerial, or otherwise—to operate and maintain much of what has been built or established during more than a decade of international assistance.

Because the Afghan government does not have the capacity to sustain ANSDF facilities, DOD has taken steps to ensure the operation and maintenance of these facilities until the Afghan government is able to do so itself. As noted above, since 2010, CSTC-A has funded contracts for the operation and maintenance of ANSDF facilities across Afghanistan. These contracts include a training component. Further, in 2012, DOD decided to reduce construction plans for ANSDF facilities for a variety of reasons, including the non-use and underutilization of existing facilities, as well as the drawdown of U.S. military and coalition forces anticipated by the end of 2014. For example, in April 2012, the International Security Assistance Force created the Operational Basing Board, which was expected to meet weekly to review and nominate existing U.S. and coalition facilities for closure or transfer to the Afghan government. As a result, through December 2012, the coalition closed 235 facilities and transferred 352 other facilities to the ANSDF. According to CSTC-A, transferring these existing coalition facilities to the ANSDF helped reduce plans to construct 318 new ANSDF facilities and decreased costs by approximately \$2 billion.

Our September 2013 audit report addressing ANSDF facility planning identified 52 additional projects that might not meet the International Security Assistance Force's construction deadline, which was tied to the drawdown of U.S. and coalition forces anticipated by the end of 2014.⁴¹ As a result, we recommended further planning and action

³⁹ SIGAR, *High-Risk List*, December 2014.

⁴⁰ The other six program areas are corruption/rule of law, ANSDF capacity and capabilities, on-budget support, counternarcotics, contract management and oversight access, and strategy and planning.

⁴¹ SIGAR Audit 13-18, *Afghan National Security Forces: Additional Action Needed to Reduce Waste in \$4.7 Billion Worth of Planned and Ongoing Construction Projects*, September 13, 2013. U.S. and coalition forces transferred security responsibility to the Afghan government at the end 2014. Leading up to this transition, those forces began to reduce their presence in Afghanistan. Because of this reduced U.S. and coalition presence, the International Security Assistance Force issued guidance requiring that all remaining ANSDF construction projects be completed by December 2014.

to reduce waste in \$4.7 billion worth of planned and ongoing construction. Our conclusion noted:

DOD is building these facilities without knowledge of current utilization and the Afghan government's ability to sustain them. We have previously reported that current facilities are underutilized or not being used at all, and have repeatedly questioned the ANDSF's ability to operate and maintain these facilities.

Two months later, in November 2013, the International Security Assistance Force issued a fragmentary order to reduce the size of the ANDSF infrastructure inventory by terminating, de-scoping, or offsetting ongoing construction projects less than 50 percent complete, giving the Afghan government a better chance of sustaining the remaining facilities.⁴² As noted in our 2015 audit report on the status of our recommendations to DOD, this resulted in DOD discontinuing construction on all or part of 101 projects, achieving estimated cost savings of up to \$800 million.⁴³

Despite these actions, our concerns about the sustainability of facilities and infrastructure DOD has built for the Afghans persist.⁴⁴ In October 2013, we reported that the Archi Police District Headquarters, which had an estimated 40 ANP personnel living on site, had several facilities that were in disrepair, causing health concerns.⁴⁵ For example, we found extensive mold growing on the interior walls and ceilings of the barracks and bathrooms. In addition, the bathrooms were virtually unusable because of missing sink faucets, showers in disrepair, and no running water. Also, although a large generator had been installed at the site, at the time of our inspection, ANP personnel told us it had not been functional for the past 2 years because it needed repair. They added that even if the generator was repaired, they did not receive enough fuel to operate it. Instead, electrical power was being supplied by a small back-up generator, which ANP personnel said they purchased locally, that only provided the facility with 3 hours of electricity per day.

In our upcoming inspection report on the Afghan Air Force University, we found that the Afghan government has not properly maintained the buildings that USACE has transferred to

⁴² International Security Assistance Force Fragmentary Order 215-2013, November 2013.

⁴³ SIGAR 15-29-AR, *Department of Defense: More than 75 Percent of All SIGAR Audit and Inspection Report Recommendations Have Been Implemented*, January 15, 2015.

⁴⁴ We have an ongoing audit examining the Afghan government's ability to sustain ANDSF facilities and infrastructure DOD has transferred to it. These include facilities and infrastructure built specifically for the ANDSF and facilities initially used by the U.S. and coalition forces.

⁴⁵ Inspection 14-5-IP, *Archi District Police Headquarters: Extensive Mold, Lack of Running Water, and Inoperable Electrical Systems Show Facilities Are Not Being Sustained*, October 20, 2013.

it.⁴⁶ Some of the bathroom buildings were only being partially used due to broken sinks, faucets, and water heaters. In addition, two of the renovated barracks buildings were not being used due to multiple problems, such as plumbing leaks and broken ceiling fans. We found other building problems, which could be mostly attributable to inadequate maintenance by the Afghan government, including mold growth, filthy bathrooms, broken door locks, and broken or missing plumbing fixtures.

Conclusion

Since 2008, SIGAR has issued 37 inspection reports examining 45 DOD reconstruction projects in Afghanistan with a combined value of about \$1.1 billion. While some of the projects were well built and met contract requirements and technical specifications, most did not meet those requirements and specifications, and some of those had serious construction deficiencies that, in some cases, had health and safety implications. In many cases, poorly prepared or unqualified contractor personnel, inferior materials, poor workmanship, and inadequate contractor and U.S. government oversight contributed to those substandard results. Despite these problems, many contractors were still paid the full contract amount.

We recognize DOD's efforts to address our recommendations in a timely manner, and in ways that help improve the efficiency and effectiveness of reconstruction projects. Although many of our recommendations were directed toward specific projects, DOD also established procedures that impact the full scope of its reconstruction projects. However, despite these efforts, many of the projects we inspected had significant deficiencies caused, in part, by common and recurring problems.

Based on our work, DOD can improve its administration and oversight of its reconstruction projects by, among other things, improving its project planning and design processes; ensuring contractors are qualified and capable of adhering to requirements; and conducting the oversight needed to ensure that facilities are built correctly and contractors are held accountable for their work. This would help to avoid the waste and delay that can come from having to fix or simply abandon deficient projects.

Further, we continue to be concerned about the Afghan government's ability to sustain the facilities DOD has built for it. DOD is currently providing operation and maintenance services at many ANDSF facilities across the country. Currently, it is unclear when the Afghan

⁴⁶ We are currently in the process of finalizing this report and plan to issue it before the end of March 2016.

government will be able to take over this responsibility. Until it is able to do so, U.S. taxpayer funds will continue to be expended to sustain the facilities DOD has built for the Afghans.

SIGAR will also continue to work with DOD and Congress as it continues to oversee the critical work the United States and its coalition partners are undertaking in Afghanistan.

Thank you for the opportunity to testify today. I look forward to answering your questions.

Appendix I - SIGAR Inspections of DOD Reconstruction Projects in Afghanistan

Table 1 lists the inspection reports SIGAR has issued on Department of Defense reconstruction projects in Afghanistan since July 2009.

Table 1 - SIGAR Inspection Reports Issued to Date

Report Number, Title, Date Issued, Original Contract Amount, Administering Agency, and Map Number	Findings	Recommendations, Responsible Entity, and Recommendation Status as of February 29, 2015
SIGAR Inspection 09-01, <i>Improvements to the Khowst City Electrical Power System: Safety and Sustainability Issues Were Not Adequately Addressed</i> , July 28, 2009 \$1.57 Million Khowst Provincial Reconstruction Team Map #1	(1) Facility not built as required, but it is being used. (2) Contract 1 omitted several important project requirements; however, contract 2 effectively addressed project requirements. (3) Contractor 1 did not meet several requirements. (4) U.S. provincial reconstruction team's quality assurance was inadequate. (5) Afghan government may have difficulty operating and maintaining the city electrical power system.	(1) Correct the safety hazards and other technical deficiencies noted in this report. (Khowst Provincial Reconstruction Team; Closed-Not Implemented) (2) Assign qualified personnel to provide oversight of the follow-on Commander's Emergency Response Program (CERP) projects to correct safety hazards and technical deficiencies at the Khowst Power System. (Khowst Provincial Reconstruction Team; Closed-Not Implemented) (3) Provide training and mentoring of the power plant management and personnel to build capacity for addressing long-term maintenance and sustainability. (Khowst Provincial Reconstruction Team; Closed-Not Implemented) (4) Review other CERP projects to determine whether adequate project oversight, training and mentoring is being provided to build capacity for long-term project sustainability. (Khowst Provincial Reconstruction Team; Closed-Not Implemented)
SIGAR Inspection 09-02, <i>Mahmood Raqi to Nijrab Road Construction Project in Kapisa Province: Contract Requirements Met, But Sustainability Concerns Exist</i> , October 2, 2009 \$6.60 Million Kapisa Provincial Reconstruction Team Map #2	(1) Facility was built as required, and it is being used. (2) Kapisa Province Ministry of Public Works lacks the capacity—equipment, material, or personnel—to maintain the road, once completed. (3) SIGAR estimates the lifetime of the road to be 5 years, unless an effective repair and maintenance program is implemented.	(1) Continue coordination with the U.S. Agency for International Development to include this road in the expanding Management and Operation Program and develop capacity for repairing and maintaining roads at the provincial level. (U.S. Forces-Afghanistan (USFOR-A); Closed-Not Implemented) (2) Provide information through the Combined Information Data Network Exchange system to give the U.S. Agency for International Development visibility of this project's details. (Kapisa Provincial Reconstruction Team; Closed-Not Implemented)
SIGAR Inspection 10-01, <i>Farukh Shah School Construction Project</i> ,	(1) Facility was not built as required, and was not being used.	(1) Issue a follow-up contract to address the construction deficiencies noted in this report.

<i>Kapisa Province: Project Completion Approved Before All Contract Requirements Met, October 26, 2009</i> \$0.15 Million Kapisa Provincial Reconstruction Team Map #3	(2) Project was closed out with significant work remaining to be completed, specifically school building, latrine, guard house, power plant, hand pump, and site clean-up. (3) We identified significant design deficiencies, including improper grading and the absence of a retaining wall that we believe should have been included in the project's scope of work. (4) Project was delayed by 2 years, and provincial reconstruction team says the provincial director of education pressured it to turning over the school "as-is" because students and teachers were using an outdoor area for instruction.	(Kapisa Provincial Reconstruction Team; Closed-Not Implemented) (2) Place greater emphasis on developing detailed scopes of work that anticipate and address critical design issues that are particular to each construction project rather than relying solely on standard design plans. (Kapisa Provincial Reconstruction Team; Closed-Not Implemented)
SIGAR Inspection 10-02, Abdul Manan Secondary School Construction Project in Kapisa Province: Insufficient Planning, Safety Problems, and Poor Quality Control Affect Project Results, October 26, 2009 \$0.25 Million Kapisa Provincial Reconstruction Team Map #4	(1) Facility was not built as required and was not being used. (2) Statement of Work did not include major construction elements, resulting in a contract modification and cost increase, and subsequent award that was determined to be in violation of CERP guidelines requiring contract termination and project re-bid. (3) Lack of standardized quality assurance guidelines for CERP-funded projects.	(1) Take action to correct the multiple deficiencies noted in this report. This should start with ensuring both the Statement of Work and the Design Plan for this project reflect specific construction requirements, such as site location and contractor capabilities. (USFOR-A and Kapisa Provincial Reconstruction Team; Closed-Not Implemented) (2) Develop standardized quality assurance guidelines that can be used to manage this and other CERP-funded projects. (USFOR-A and Kapisa Provincial Reconstruction Team; Closed-Not Implemented)
SIGAR Inspection 10-03, Habib Rahman Secondary School Construction Project in Kapisa Province: Design and Safety Issues Require Attention, October 26, 2009 \$0.31 Million Kapisa Provincial Reconstruction Team Map #5	(1) Facility was not built as required, and was not being used. (2) We identified contract and design issues. Specifically, the contract did not require removal of the existing unfinished structure, lack of a reinforced retaining wall, and lack of necessary earth removal work. (3) Inadequate provincial reconstruction team management and quality assurance program that later improved.	(1) Initiate a follow-on CERP project to correct the design and safety deficiencies noted in this report. (USFOR-A and Kapisa Provincial Reconstruction Team; Closed-Not Implemented)
SIGAR Inspection 10-04, Kohi Girls' School Construction Project in Kapisa Province: Construction Delays Resolved, But Safety	(1) Facility was built as required, but was not being used.	(1) Develop a plan for the removal of war-related debris from areas adjacent to the Kohi Girls' School construction project. (Kapisa Provincial Reconstruction Team; Closed-Not Implemented)

Concerns Remain,
October 26, 2009

\$0.22 Million

Kapisa Provincial
Reconstruction Team

Map #6

SIGAR Audit 10-07, *The Toig Bridge Construction is Nearly Complete, but Several Contract Issues Need to Be Addressed*, March 1, 2010

\$1.75 Million

Farah Provincial
Reconstruction Team

Map #7

(1) Facility was not built as required, and was not being used.

(2) Concrete testing and other quality control measures were inadequate to ensure structural integrity of bridge.

(3) Land ownership rights to bridge approaches were not documented.

(4) Sustainability a concern in that local Afghan public works department lacks funding, equipment, and personnel.

(1) Establish accountability for the gravel plant and associated equipment to ensure the plant's sustainability. (USFOR-A and International Security Assistance Force (ISAF); Closed-Implemented)

(2) Ensure that necessary quality control and quality assurance procedures are performed and adequately documented, including (a) testing of critical construction materials is completed, (b) the structural concrete meets design requirements, and, (c) preparation of weekly engineer reports documenting quality control and corrective actions. (USFOR-A and ISAF; Closed-Implemented)

(3) Ensure land rights associated with the bridge approaches are documented and transferred to the Afghan government. (USFOR-A and ISAF; Closed-Implemented)

(4) Address deficiencies in the contract files per applicable guidance. (USFOR-A and ISAF; Closed-Implemented)

SIGAR Audit 10-09, *ANA Garrison at Kunduz Does Not Meet All Quality and Oversight Requirements; Serious Soil Issues Need to Be Addressed*, April 30, 2010

\$72.80 Million

U.S. Army Corps of
Engineers (USACE)

Map #8

(1) Facility was not built as required, and was not being used.

(2) Severe settling of soil was damaging buildings.

(3) Poor welds and rust could lead to roof failure.

(4) North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan (CSTC-A) officials were unaware of any justifications or planning documents for the garrison that addressed the strategic deployment of troops, garrisons, locations, or operations; however, the planning reports reviewed did not address these matters.

(5) North Atlantic Treaty Organization Training Mission-Afghanistan/CSTC-A officials stated that the Afghan government does not have financial or technical capacity to sustain the Kunduz

(1) Repair the welds and mitigate the rust on steel supports on the affected structures. (USACE; Closed-Implemented)

(2) Resolve the soil stability issue and determine what mitigation or corrective actions are required for DynCorp to complete the garrison, including ensuring that the site is properly graded. (USACE; Closed-Not Implemented)

(3) Ensure the Kunduz garrison's contract files are maintained according to USACE guidance. (USACE; Closed-Implemented)

	garrison or other Afghan National Security Forces (ANSF) facilities.	
SIGAR Audit 10-10, ANA Garrison at Gamberi Appears Well Built Overall but Some Construction Issues Need to Be Addressed, April 30, 2010 \$129.80 Million USACE Map #9	(1) Facility was built as required, but was not being used. (2) Facility appears well built, but poor flood control measures and site grading could lead to problems. (3) Concrete deck of the short bridge near the garrison's entrance is eroding. (4) North Atlantic Treaty Organization Training Mission-Afghanistan/CSTC-A officials stated they were unaware of any justification or planning documents for garrison's use. (5) Afghan government does not have capacity to sustain the Gamberi garrison or ANSF facilities.	(1) Mitigate silt accumulation in the anti-vehicle and flood control trench. (USACE; Closed-Implemented) (2) Ensure that the site is properly graded. (USACE; Closed-Not Implemented) (3) Repair bridge near the main entrance to the garrison. (USACE; Closed-Implemented) (4) Secure the weapons training range with a perimeter fence. (USACE; Closed-Implemented)
SIGAR Audit 10-12, ANP Compound at Kandahar Generally Met Contract Terms but Has Project Planning, Oversight, and Sustainability Issues, July 22, 2010 \$45.00 Million USACE Map #10	(1) Facility was built as required, but was not being used. (2) Four projects completed, but delays ranged from 6 months to 2 years. (3) No construction issues revealed. (4) Inadequate project planning and oversight affected all four projects. (5) Afghan government does not have the financial or technical capacity to sustain ANSF facilities once they are completed.	(1) Ensure that future projects adhere to USACE's established quality assurance and quality control procedures. (USACE; Closed-Implemented) (2) Review and update current guidance on austere construction standards to include more detailed guidance regarding heating and cooling options for various types of facilities, with the option to allow for regional differences. (Combined Security Transition Command-Afghanistan (CSTC-A), in consultation with USACE; Closed-Implemented) (3) Provide guidance regarding appropriate electrical, plumbing, and other fixtures for facilities. (CSTC-A; Closed-Implemented)
SIGAR Audit 10-14, ANA Garrison at Farah Appeared Well Built Overall but Some Construction Issues Should Be Addressed, July 30, 2010 \$68.10 Million USACE Map #11	(1) Facility not built as required, but it was being used. (2) Phase I completed 16 months past original completion date, and Phase II is 12 months behind schedule. (3) Contract management and oversight met requirements. (4) Afghan government does not have the financial or technical capacity to sustain all ANSF facilities; therefore, two contracts were being awarded to provide operations and maintenance for ANSF facilities.	(1) Ensure that the site is properly graded around buildings to prevent the pooling of water. (USACE; Closed-Implemented) (2) Ensure that the asphalt roads and parking lots are properly compacted to minimize deterioration. (USACE; Closed-Implemented) (3) Consider mitigating silt accumulation in the unlined drainage ditches around the garrison to minimize maintenance. (USACE; Closed-Implemented)

SIGAR Audit 11-03, ANP District Headquarters Facilities in Helmand and Kandahar Provinces Have Significant Deficiencies Due to Lack of Oversight and Poor Contractor Performance, October 27, 2010

Nad Ali ANP District Headquarters: \$0.84 Million

Garm Ser ANP District Headquarters: \$0.84 Million

Nahri Saraj ANP District Headquarters: \$0.84 Million

Spin Boldak District Headquarters: \$0.84 Million

Takha Pul District Headquarters: \$0.84 Million

Zeheli ANP District Headquarters: \$0.84 Million

Total: \$5.88 Million*

USACE

Map #12 through #17

Our final inspection covered six sites. These findings applied to all sites.

(1) Construction was poor, and two suspension letters were issued.

(2) Project was for six Afghan National Police (ANP) facilities: one site turned over to the ANP, another site cleared for turnover, nominal progress on another site, and three sites remain idle.

(3) Almost all performance payments have been paid out, and minimal funds were withheld from contractor payments to cover deficient work.

Individual site findings were as follows:

(1) Nad Ali ANP District Headquarters: Facility was not built as required, but it was being used.

(2) Nahri Saraj ANP District Headquarters: Facility was not built as required, but it was being used.

(3) Spin Boldak District Headquarters: Facility was not built as required, and it was not being used.

(4) Takha Pul District Headquarters: Facility was not built as required, and it was not being used.

(5) Zeheli ANP District Headquarters: Facility was not built as required, and it was not being used.

(6) Garm Ser ANP District Headquarters: Facility was not built as required, and it was not being used.

Our final inspection covered six sites. These recommendations applied to all sites.

(1) Perform complete engineering evaluations at each of the six ANP project sites to determine the required level of reconstruction and repair needed to comply with the contract requirements. (USACE; Closed-Implemented)

(2) Pursue all available options to obtain necessary repairs by Basirat or recoup costs if the repairs are not made. (USACE; Closed-Implemented)

(3) Require that the maximum amount of retainage allowable by the Federal Acquisition Regulation (10 percent) be withheld from each payment for projects where information on the construction progress and quality is obtained primarily through the contractor or Local National Quality Assurance reports and where the contracting officer determines that satisfactory progress has not been made. (USACE; Closed-Implemented)

(4) Institute a requirement for USACE personnel to conduct site visits and verify payments for construction progress if the completed work has only been verified by photographs taken by the contractor or where the information provided by the reports does not meet USACE quality assurance reporting standards. (USACE; Closed-Implemented)

(5) Ensure compliance with USACE quality assurance standards on this and related projects, by directing Afghanistan Engineering District-South to require quality assurance representatives to file daily reports, ensure three-phase testing is implemented, and perform and record quality control testing. (USACE; Closed-Implemented)

(6) Direct Afghanistan Engineering District-South to develop a process and procedure for coordinating with local coalition force units to (a) help confirm construction progress claims, and (b) determine the feasibility of using coalition force assets to supplement security and transportation needs. (USACE; Closed-Implemented)

SIGAR Audit 11-09, ANA Facilities at Mazar-e-Sharif and Herat Generally Met Construction Requirements, but Contractor Oversight Should Be Strengthened, April 25, 2011

Our inspection covered two sites—Mazar-e-Sharif and Herat—and each site had its own contractor—CH2M Hill and AMEC Earth and Environmental, Incorporated, respectively. These findings applied to both sites.

(1) The contractors experienced construction delays and cost increases—

Our inspection covered two sites. These recommendations applied to both sites.

(1) Establish and implement procedures, including specific deadlines, to ensure that contracting officers follow up on contractors' corrective action plans in a timely manner. (AFCEE; Closed-Implemented)

Camp Shaheen: \$17.00 Million Afghan National Army (ANA) facilities at Camp Zafar: \$11.60 Million Total: \$28.60 Million Air Force Center for Engineering and the Environment (AFCEE) Map #18 and #19	75 percent schedule growth and an estimated cost overrun of \$1.68 million—because AFCEE did not exercise adequate contractor oversight. (2) The quality of construction at both sites generally met the contract requirements. Individual site findings were as follows: (1) Camp Shaheen: Facility was built as required and was being used. (2) ANA facilities at Camp Zafar: Facility was built as required and was being used.	(2) Take immediate action to finalize the performance rating of AMEC Earth and Environmental, Incorporated, the prime contractor at Camp Zafar, and add this rating to the Construction Contractor Appraisal Support System. (AFCEE; Closed-Implemented)
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SIGAR Inspection 12-1, Construction Deficiencies at Afghan Border Police Bases Put \$19 Million Investment at Risk, July 30, 2012 Lal Por 1: \$4.55 Million Lal Por 2: \$4.48 Million Nazyan Base: \$4.77 Million Total: \$13.80 Million USACE Map #20, #21, and #22	Our inspection covered three sites. This finding applied to all sites. (1) USACE failed to follow its quality control and assurance processes, and, primarily due to security concerns, did not verify that construction at the bases had been completed prior to acceptance and transfer to CSTC-A. Individual site findings were as follows: Lal Por 1: (1) Facility was not built as required, but it was being used. (2) We observed various construction deficiencies. Lal Por 2: (1) Facility was not built as required, and it was not being used. (2) The base had no viable water supply. (3) We observed various construction deficiencies. Nazyan Base: (1) Facility was not built as required, but it was being used. (2) The base may soon be uninhabitable if the septic system continues to back up into the pipes causing overflow. (3) We observed structural failures as a result of an inadequate drainage system. (4) Most facilities were either unoccupied or not used for their intended purpose.	Our inspection covered three sites. These recommendations applied to all sites. (1) Review the current status of construction deficiencies identified as part of the transfer of the bases, including the critical water supply and septic and sewage system deficiencies, and determine a resolution that is in the best interest of the U.S. government and without unnecessary additional government cost. (USACE; Closed-Implemented) (2) Determine the method of repair for the deficiencies still outstanding, including (a) remediation by the contractor, as part of complying with the contract terms; (b) recovery under warranty, as stipulated in the contract remediation timeframes and warranty terms; and (c) determining whether retainage and liquidated damages should be released to the contractor as part of contract closeout. (USACE: Closed-Implemented) (3) Based on the determination in recommendation 1, prepare a plan of action for the repairs and ensure the repairs are completed, inspected, and approved as expeditiously as possible. (USACE; Closed-Implemented) (4) For ongoing and future construction contracts, adhere to Federal Acquisition Regulation requirements and USACE Engineering Regulation 1180-1-6 for effectively managing a Quality Management Program, by ensuring that (a) each USACE Resident/Area Office is aware of and has access to the applicable Quality Assurance Surveillance Plan; (b) the contractor has developed an effective Contractor Quality Control Program, which is adequately monitored and assessed through the Quality Assurance Program; (c) construction deficiencies are tracked and remedied in a timely manner, to ensure quality construction is delivered at project completion, as part of the transfer process; and (d) per the terms of the transfer process, the Road & Roof Construction Company provides the requisite operations and maintenance manuals as well as the appropriate technical documents and training required for safe and effective operation of the facilities. (USACE; Closed-Implemented)
SIGAR Audit 12-02, Better Planning and Oversight Could Have Reduced Construction Delays and	(1) Facility was not built as required, but it was being used.	(1) Direct that site surveys done in conjunction with the Kabul Military Training Center conceptual master plan be more detailed, including topography and location of existing utilities, so that a more

Costs at the Kabul Military Training Center, October 26, 2011	(2) The project (Phase III) was not completed. The project experienced both cost growth and schedule delays.	complete picture of additional construction projects can be provided to bidders, thus allowing contract proposals to more accurately reflect reality. We support CSTC-A's efforts to develop the organic capability to do this and in the interim recommend that CSTC-A, in concert with AFCEE, use existing planning contracts to provide the integration function. (CSTC-A; Closed-Implemented)
\$140.00 Million	(3) Some completed facilities were not being used as intended. Due to the expanded number of recruits, a gymnasium was being used for housing.	(2) Ensure that conceptual master plans for future construction projects in support of the ANSF contain more detailed information, including topography and the location of existing utilities, to facilitate the preparation of more accurate contract proposals. (CSTC-A; Closed-Implemented)
AFCEE	(4) The Afghan government does not have the financial or technical capacity to sustain the center once completed.	(3) Ensure that, in the future, Kabul Military Training Center contract and task order files contain complete and consistent information regarding reasons for modifications to the contract and task orders. (AFCEE; Closed-Implemented)
Map #23		(4) Seek reimbursement from the Phase I and II contractor, AMEC Earth and Environmental, Incorporated, for the cost of electrical repairs related to poor performance by its Afghan subcontractors. (AFCEE; Closed-Implemented)
SIGAR Audit 12-03, Afghan National Security University Has Experienced Cost Growth and Schedule Delays, and Contract Administration Needs Improvement, October 26, 2011	(1) Facility was built as required, but it was not being used.	(1) Assure that, in the future, the Afghan National Security University task order file is complete, including complete and consistent documentation as to the reasons for task order modifications and that all notices to proceed are included in the contract files, and consider expanding the practice to all CSTC-A funded task order files. (AFCEE; Closed-Implemented)
\$170.00 Million	(2) Construction (Phase I) was not completed, and the project has experienced cost growth and schedule delays. However, the quality of construction at the University generally met contract requirements.	(2) Assure that out-of-scope modifications are properly justified, approved, and documented. (AFCEE; Closed-Implemented)
AFCEE		
Map #24		
SIGAR Inspection 13-1, Kunduz ANA Garrison: Army Corps of Engineers Released DynCorp of All Contractual Obligations Despite Poor Performance and Structural Failures, October 25, 2012	(1) Facility was not built as required, but it was being used.	(1) Justify the cost of further repairs and remediation of structural failures at Camp Pamir funded with Afghan Security Forces Fund appropriations to ensure that further construction is warranted, at reasonable cost to the U.S. government. (USACE; Closed-Implemented)
\$55.50 Million	(2) Subsequent SIGAR review determined ongoing problem of failed structures, potential structural failure, and severe soil settling and grading issues.	(2) Submit the DynCorp settlement to an appropriate audit agency for review, in accordance with Federal Acquisition Regulation 49.107(a). Based on the review, the audit agency should submit written comments and recommendations. While the audit results would normally be communicated to the termination contracting
USACE	(3) Inadequate construction quality and noncompliance with contract specifications.	
Map #25	(4) USACE released the contractor from any further contractual obligations without requiring the contractor to provide	

	remediation of structural failures that will require additional funding above the \$72.8 million paid to the contractor.	officer, due to the questionable nature of the settlement, we further recommend that the audit results and recommendations be reviewed by the Commanding General. (USACE; Closed-Implemented) (3) Explain in writing why the settlement was determined to be fair and reasonable. (USACE; Closed-Implemented)
SIGAR Inspection 13-2, Wardak Province National Police Training Center: Contract Requirements Generally Met, but Deficiencies and Maintenance Issues Need to Be Addressed, October 30, 2012 \$96.10 Million USACE Map #26	(1) Facility was built as required, and was being used. (2) Buildings and facilities were generally used as intended and constructed in accordance with contract specifications.	(1) Replace diesel fuel tank grounding connections with those specified in the design documents to avoid a potentially dangerous condition. (USACE; Closed-Implemented) (2) Repair roof leaks around the vehicle exhaust ventilation pipes in the vehicle maintenance building. (USACE; Closed-Implemented) (3) Repair the missing storm water outlet grating in the perimeter wall, which could enable a person to gain unauthorized access to the compound. (USACE; Closed-Implemented) (4) Regularly clean silt and construction debris from the storm drain system. (USACE; Closed-Implemented)
SIGAR Inspection 13-3, Gamberi Afghan National Army Garrison: Site Grading and Infrastructure Maintenance Problems Put Facilities at Risk, October 30, 2012 \$126.50 Million USACE Map #27	(1) Facility was not built as required, but it was being used. (2) Sustaining the Gamberi ANA Garrison continues to be at risk due to the lack of remediation for ongoing flood control issues and inadequate grading.	(1) Repair damaged storm water facilities by repairing eroding ditches and removing sediment and debris on roads, in ditches, and in perimeter wall outlets throughout the garrison. (USACE; Closed-Implemented) (2) Implement mitigating flood control measures, such as adding gravel to low lying roads where flooding regularly occurs to drain these areas more quickly. (USACE; Closed-Implemented) (3) Establish and follow a program to maintain the storm water drainage system and ensure that timely repairs are made to correct the deficiencies that we identified. (USACE; Closed-Implemented) (4) Conduct a structural analysis and design review of the culvert design package and take appropriate actions to correct any deficiencies identified. (USACE; Closed-Implemented)
SIGAR Inspection 13-4, Kunduz Afghan National Police Provincial Headquarters: After Construction Delays and Cost Increases, Concerns Remain About the Facility's Usability and	(1) Facility was built as required, but it was not being used. (2) Construction was only 50 percent complete, but what was completed appeared adequate. No personnel were occupying the facility.	(1) Provide electrical back-up at the lift station, such as an auxiliary electrical generator, to provide back-up power to continue pumping untreated sewage into the sewage treatment plant and help mitigate the potential for sewage overflow when the main generator is out of service for repair or

Sustainability, January 24, 2013 \$12.40 Million USACE Map #28	(3) The facility's only source of electrical power is a single diesel generator with no back-up or alternate connection to the local electrical grid or other back-up electrical power supply. (4) The contractor was having problems with collapsible soil and sink holes on the project site.	maintenance or from unintended power outages. (USACE; Closed-Implemented) (2) Review the decision made at the start of the project to not connect the site to the local electrical grid and, as part of the review, conduct a cost-benefit and technical analysis. The review should factor in the high costs to purchase and deliver fuel to the site for the electrical generator, the capability of the local grid to provide adequate power for the site facilities and equipment, and the need for a back-up electrical system. Based on the results, if connection to the local power grid is not feasible, install a back-up site generator or otherwise provide an appropriate back-up electrical power system to prevent loss of electricity across the site when the primary generator is not working. (USACE; Closed-Implemented) (3) Award an operations and maintenance contract at project completion to ensure that the facility is appropriately maintained once occupied. (USACE; Closed-Implemented)
SIGAR Inspection 13-5, Imam Sahib Border Police Company Headquarters in Kunduz Province: \$7.3 Million Facility Sits Largely Unused, January 29, 2013 \$5.70 Million USACE Map #29	(1) Facility was built as required, and it was being used. (2) The facility sat largely unused. Only approximately 12 personnel were on site during the SIGAR site inspection, and on-site personnel were not aware of plans to move additional staff into the compound. (3) The facility lacks an emergency supply, e.g., a back-up generator. (4) There is no operation and maintenance contract for on-site facilities and equipment, nor are there plans to provide training to local Afghan personnel. (5) The wood-burning stoves were dismantled, and justifications provided conflicted with one another.	(1) Review plans for constructing Afghan Border Police facilities to determine whether site construction contracts can be downsized or facilities redesigned to reduce unnecessary costs or if facilities, including this location, are even needed; and provide an explanation of the review results. (USACE; Closed-Implemented) (2) Rather than relying solely on a single generator, determine the feasibility of installing a backup generator or connecting the site electrical system to the local power grid to prevent loss of electricity across the site when the primary generator is out of service for repair or maintenance or from unintended power outages, including lack of fuel. (USACE; Closed-Implemented) (3) Award an operations and maintenance contract or otherwise provide training to Afghan personnel to ensure that the facility is appropriately maintained after the withdrawal of coalition forces. (USACE; Closed-Implemented) (4) Determine why the Afghan Border Police dismantled the wood-burning stoves at Imam Sahib Border Police Company Headquarters and assess the need to provide wood-burning stoves at other facilities currently under construction or planned for construction in the future. (USACE; Closed-Implemented)

SIGAR Inspection 13-6, <i>Afghan National Police Main Road Security Company, Kunduz Province, Is Behind Schedule and May Not Be Sustainable</i>, April 17, 2013 \$1.70 Million USACE Map #30	(1) Facility was not built as required, and it was not being used. (2) One generator provides all of the compound's electricity, and the contract scope of work has no provision for a back-up generator or connection to the municipal power grid. (3) The Afghan power grid was inadequate for the facility's current demand and significant investment was required to connect to the national grid. (4) The project was behind schedule. At the time of our site visit, 54 percent of the performance period had passed but only 15 percent of the work had been completed.	(1) Review the ANP Main Road Security Company site design and install a back-up power system, at least for mission critical systems, to prevent loss of site electricity when the primary generator is out of service for repair or maintenance or from unintended power outages, including the lack of fuel. (USACE; Closed-Not Implemented) (2) Determine an appropriate means for ensuring operation and maintenance of the compound at project completion, and that the site is appropriately maintained as part of the turnover to the Afghan government. (USACE; Closed-Implemented)
SIGAR Inspection 13-7, <i>Qala-i-Muslim Medical Clinic: Serving The Community Well, But Construction Quality Could Not Be Fully Assessed</i>, April 17, 2013 \$0.16 Million Joint Task Force-Kabul Map #31	(1) Facility was built as required, and it was being used. (2) The facility was being used for its intended purposes, and enhanced the medical capabilities of the Village. (3) Ministry of Public Health was fulfilling its commitment to sustain the medical clinic. (4) No major construction issues were observed.	(1) Ensure that project documentation related to CERP projects complies with CERP guidance. (USFOR-A; Closed-Implemented) (2) Periodically review the Combined Information Data Network Exchange database to ensure that all required project documents are uploaded into the database. (USFOR-A; Closed-Implemented)
SIGAR Inspection 13-8, <i>Forward Operating Base Salerno: Inadequate Planning Resulted in \$5 Million Spent for Unused Incinerators and the Continued Use of Potentially Hazardous Open-Air Burn Pit Operations</i>, April 25, 2013 \$5.40 Million USACE Map #32	(1) Facility was built as required, but it was not being used. (2) Inadequate planning resulted in incinerators and supporting facilities that will never be used, or, if used, do not have adequate capacity to provide for the complete disposal of the facility's solid waste. (3) The incinerators were not being maintained due to excessive operation and maintenance costs, and had fallen into disrepair.	(1) Take appropriate measures to prevent a reoccurrence of stagnant water at the Forward Operating Base Salerno incinerator facility. (USFOR-A; Closed-Implemented) (2) Expedite the contract for solid waste removal to facilitate the earlier cessation of open-air burn pit operations. (USFOR-A; Closed-Implemented) (3) Develop a list of disposition options for the Forward Operating Base Salerno incinerators, determine the most cost effective option for the U.S. government, and provide SIGAR the results within 60 days. (USFOR-A; Closed-Implemented)
SIGAR Inspection 13-10, <i>Bathkhak School: Unauthorized Contract Design Changes and Poor Construction Could</i>	(1) Facility was not built as required, and it was not being used. (2) Afghan ministry officials modified the construction contract without consulting with or obtaining the approval of the U.S. contracting officer.	(1) Prior to turning over the facilities to the Afghans, perform an immediate physical inspection of the two new school buildings, including appropriate engineering tests and analyses, and determine whether to certify the structural integrity of the buildings. (USFOR-A; Closed-Implemented)

<i>Compromise Structural Integrity, July 24, 2013</i> \$0.26 Million Regional Contracting Command-Central Map #33	(3) Poor planning and construction resulted in a structurally deficient school building being constructed in an earthquake-prone area.	(2) Require the contractor to correct any deficiencies or substandard work identified during the physical inspection and tests. (USFOR-A; Closed-Implemented) (3) Review the product substitutions made, and, based on a price analysis, determine whether the changes warrant a reduction in the overall cost of the contract. (USFOR-A; Closed-Implemented) (4) Identify the contracting officer(s) responsible for initial oversight of the Bathkhak school construction activities and determine why (a) no oversight visits were made during the first 6 months of construction; (b) no contract modifications were made approving the contractor's substitution of building materials; and (c) no pricing determinations were made of the building materials substituted for those required in the contract. After making these determinations, decide what disciplinary action, if any, should be taken against the contracting officer(s) responsible for not properly overseeing construction activities. (USFOR-A; Closed-Implemented)
SIGAR 14-5-IP, Archi District Police Headquarters: Extensive Mold, Lack of Running Water, and Inoperable Electrical Systems Show Facilities Are Not Being Sustained, October 20, 2013 \$0.29 Million USACE Map #34	(1) Facility was built as required, and it was being used. (2) The facilities were not being maintained and were in a state of disrepair, with an estimated 40 ANP personnel living and working in facilities with extensive mold growing on the interior walls and ceilings of the barracks and bathrooms. (3) The bathrooms were virtually unusable because of missing sink faucets and showers in disrepair. (4) The facility's water well no longer worked, requiring water to be trucked to the site daily. (5) The facility only had 3 hours of electricity per day, which was provided by a small back-up generator.	(1) Determine why U.S. funds provided to the Ministry of Interior for the operation and maintenance of ANP facilities since December 2012 have not been used to maintain the Archi District Police Headquarters and what corrective actions will be taken to ensure direct funds to the Ministry of Interior for operation and maintenance are used as intended, and report back to SIGAR within 90 days. (North Atlantic Treaty Organization Training Mission/CSTC-A; Closed-Implemented)
SIGAR 14-10-IP, Walayatti Medical Clinic: Facility Was Not Constructed According to Design Specifications and Has Never Been Used, October 30, 2013	(1) Facility was not built as required, and it was not being used. (2) The clinic was completed; however, it was empty and had never been used. (3) The Ministry of Public Health was not maintaining the clinic, even though Joint Task Force-Kabul and the Ministry of	(1) Take steps to assist the Afghan government in installing the equipment required under the CERP contract or suitable alternative equipment. (USFOR-A; Closed-Implemented) (2) Determine whether Walayatti medical clinic has been officially transferred to the Ministry of Public

\$0.19 Million Joint Task Force-Kabul Map #35	Public Health signed an agreement for the ministry to staff and equip the clinic upon its official transfer to the Afghan government. Ministry officials said they were not aware of their responsibility to do so. U.S. government had failed to coordinate with the Ministry's Policy and Planning directorate and had not officially transferred the facility to the Afghan government.	Health and, if not, take immediate action to do so. (USFOR-A; Closed-Implemented) (3) Work with Ministry of Public Health to take appropriate action to equip, staff, and sustain the medical clinic for the Walayatti village inhabitants. (USFOR-A; Closed-Implemented)
SIGAR 14-13-IP, <i>Forward Operating Base Sharana: Poor Planning and Construction Resulted in \$5.4 Million Spent for Inoperable Incinerators and Continued Use of Open-Air Burn Pits</i>, December 16, 2013 \$5.60 Million USACE Map #36	(1) Facility was not built as required, and it was not being used. (2) Incinerators were not used 3 years after completion. (3) Contractor paid in full despite major construction deficiencies and delays, and without testing to see if incinerators were operational. (4) Even if operational, the two incinerators were built too close together and would have required extensive manual labor to load incinerators and remove ash. (5) As a result, base continued to use open-air burn pit in violation of regulations.	(1) Conduct an inquiry into the circumstances of the acceptance of the incinerator facility at Forward Operating Base Sharana and the payment of \$5.4 million to the contractor. (USACE; Closed-Not Implemented) (2) Based on the results of this inquiry, determine if any action should be taken against the contracting officer(s). (USACE; Closed-Not Implemented)
SIGAR 14-31-IP, <i>Salang Hospital: Lack of Water and Power Severely Limits Hospital Services, and Major Construction Deficiencies Raise Safety Concerns</i>, January 29, 2014 \$0.60 Million Regional Contracting Center-Bagram Map #37	(1) Facility was not built as required, but it was being used. (2) The hospital had no electricity or water. (3) Building was three times larger than designed. (4) Unenforced expansion joint in building makes hospital highly susceptible to earthquake damage. (5) Hospital treats about 70 patients daily, but does not provide many intended services like surgery and dental care.	(1) Identify the contracting officer(s) responsible for oversight of the Salang hospital construction activities and determine: (a) why the hospital was not built according to contract specifications and acceptable construction standards; and (b) what disciplinary action, if any, should be taken against the contracting officer(s) who failed to provide required oversight. (USFOR-A; Closed-Implemented) (2) Identify the CERP program manager(s) and project purchasing officer responsible for Salang hospital and determine why required documents were not placed in the Combined Information Data Network Exchange database. (USFOR-A; Closed-Implemented) (3) Perform a physical inspection of the building, including appropriate engineering tests and analyses, and, given its location in a high seismic activity zone, determine what corrections are required to ensure the structural integrity of the building. (USFOR-A; Closed-Implemented)

SIGAR 14-41-IP, <i>Camp Monitor: Most Construction Appears to Have Met Contract Requirements, but It Is Unclear if Facility is Being Used as Intended</i> , March 12, 2014 \$3.93 Million Regional Contracting Center-Kabul Map #38	(1) Facility was not built as required, and it was not being used. (2) Barracks, administration building, and other structures appeared well-built. (3) Dining facility was not completed and contractor had abandoned project. (4) Camp Monitor was empty and unused at time of 2013 inspection. (5) Nine months later, U.S. Forces-Afghanistan (USFOR-A) informed SIGAR that remote camp was now in use by Afghan army, and the dining facility was being completed.	None
SIGAR 14-81-IP, <i>Shindand Airbase: Use of Open-Air Burn Pit Violated Department of Defense Regulations</i> , July 14, 2014 \$5.91 Million USACE Map #39	(1) Facility was built as required, and it was being used. (2) Two incinerators built for U.S. use were being used after warranty repairs made. (3) Two incinerators installed for use by Afghan military were not being used. (4) Disposal of prohibited waste continued at a burn pit after incinerators were operational.	(1) Determine why the U.S. military continued to send its solid waste to the open-air burn pits at Shindand Airbase for 5 months after incinerators became fully operational. (U.S. Central Command; Closed-Implemented) (2) Determine why prohibited "covered" waste was burned in open-air burn pits at Shindand Airbase as early as January 2011 and why the Department of Defense (DOD) did not notify Congress, as required under Section 317 of the 2010 National Defense Authorization Act. (U.S. Central Command; Closed-Implemented)
SIGAR 14-82-IP, <i>Gereshk Cold and Dry Storage Facility: Quality of Construction Appears To Be Good, but The Facility Has Not Been Used to Date</i> , July 16, 2014 \$2.89 Million USACE Map #40	(1) Facility was built as required, but it was not being used. (2) Project completion delayed by about 8 months due to threatened and actual Taliban violence.	(1) DOD's Task Force for Business and Stability Operations should ensure that before approving future investment projects of any kind, there are willing investor(s) capable of assuming ownership of and responsibility for maintaining constructed facilities, or, in the absence of investors, that the Afghan Ministry of Commerce and Industry is willing and able to assume those responsibilities itself. (Under Secretary of Defense for Policy; Closed-Implemented)
SIGAR 15-25-IP, <i>ANA Camp Commando Phase II: Power Plant and Fuel Point Not Fully Operational Nearly Two Years After Project Completion</i> , January 6, 2015 \$15.10 Million USACE	(1) Facility was not built as required, but it was being used. (2) Power from new \$7 million electrical plant limited to one quarter of intended maximum output because an unauthorized connection by Afghan army damaged plant. (3) Fuel station appeared well-built but fuel pumps were never used. (A second	(1) Determine the amount paid to the Phase II contractor for required work that was not completed on the camp's power plant and fuel point, and, where appropriate, recoup those funds. (USACE; Closed-Implemented) (2) Provide documentation showing that the power plant's electrical system has been fully tested and commissioned. (USACE; Closed-Implemented) (3) Determine the reason(s) why the ANA has not used the Phase II fuel point to dispense fuel for

Map #41	fuel station costing \$1 million was built nearby and also was not being used.)	vehicles, and, based on the results, decide whether steps should be taken to make it operational. (USACE; Closed-Not Implemented) (4) Determine the circumstances leading to the acceptance of the Phase II work as completed, with full payment made to the contractor, when known deficiencies existed. Based on the results, determine what disciplinary action, if any, should be taken against the contracting officer or contracting officer's representative. (USACE; Closed-Implemented)
SIGAR 15-27-IP, <i>Afghan Special Police Training Center's Dry Fire Range: Poor Contractor Performance and Poor Government Oversight Led to Project Failure</i> , January 13, 2015 \$0.46 Million Regional Contracting Center-Forward Operating Base Shank Map #42	(1) Facility was not built as required, but it was being used. (2) The facility was used, but buildings began to disintegrate 4 months after construction because of substandard building materials and construction. (3) Facility was demolished and was being rebuilt with Afghan government funds.	(1) Determine the extent to which Qesmatullah Nasrat Construction Company substituted building materials without authorization or did not complete work according to the contract requirements and, where appropriate, recoup those funds. (U.S. Central Command; Open) (2) Identify the contracting officer and contracting officer's representatives responsible for oversight of the construction activities and determine: a. why the range was not built according to contract requirements and acceptable construction standards; and b. what disciplinary action should be taken against these contracting officials for failing to provide adequate oversight. (U.S. Central Command; Open)
SIGAR 15-51-IP, <i>Afghan National Army Slaughterhouse: Stalled Construction Project Was Terminated After \$1.25 Million Spent</i> , April 20, 2015 \$12.00 Million USACE Map #43	(1) Facility was not built as required, and it was not being used. (2) Project was terminated for convenience 9 months after construction began. (3) A partially built security perimeter wall around a largely open field resulted. (4) Termination came as a result of a separate DOD program reducing facility inventory.	None
SIGAR 15-74-IP, <i>\$14.7 Million Warehouse Facility at Kandahar Airfield: Construction Delays Prevented Facility From Being Used as Intended</i> , July 15, 2015 \$13.50 Million USACE	(1) Facility was built as required, but it was not being used. (2) Defense Logistics Agency warehouse facility was well constructed, with a few minor deficiencies. (3) The project experienced delays due to poor performance of the first contractor. (4) The construction contract price was higher than originally planned and	(1) Determine and identify, and report back to SIGAR within 90 days, who made the decision, and why, to allow contract modifications to be made and additional funds to be spent on the warehouses after the decision was made in August 2013 to end the Defense Logistics Agency's mission in Kandahar. (U.S. Central Command; Open)

Map #44	continued to increase even after the U.S. Army, USFOR-A, and Defense Logistics Agency knew the facility was no longer needed. (5) Defense Logistics Agency never used the facility. The facility remained empty after it took custody, with a few minor exceptions.	
SIGAR 16-16-IP, Afghan Ministry of Defense Headquarters: \$154.7 Million Building Appears Well Built, but Has Several Construction Issues that Should Be Assessed, February 11, 2016 \$154.70 million Air Force Civil Air Force Civil Engineer Center Map #45	(1) Building was generally built as required and was being used. (2) Building had some design and structural deficiencies that could impact its structural integrity during an earthquake or prolonged periods of rain. (3) The project experienced delays due to the contractor's inability to gain access to the site and weather, security, and funding issues, which resulted in the project being completed almost 5 years longer than originally planned. (4) The construction contract price was over three times higher than originally planned.	(1) Assess the building's structural integrity where separation joints are not a continuous line from the bottom to the top of the building and the allowable building movement exceeds standards, and if needed, make deficient areas structurally sound. (CSTC-A; Open) (2) Assess the need for the installation of seismic lateral bracing on non-structural components suspended from the ceiling or floor above, such as heating/cooling equipment, duct work, dropped ceilings, electrical fixtures, and drain pipes. (CSTC-A; Open) (3) Install flexible connections across all separation joints of non-structural components, such as gypsum wall board, dropped ceilings, and drain pipes. (CSTC-A; Open) (4) Assess the integrity of lateral bracing, anchorage, isolation, and energy dissipation of all equipment for compliance with the contract's seismic requirements, and make deficient items compliant with the requirements. (CSTC-A; Open) (5) Assess the installed roof drainage system for compliance with the design documents and the International Building Code, and correct any deficiencies. (CSTC-A; Open)

Source: SIGAR analysis of inspection reports issued to date

Note: *The total contract amount of \$5.9 million included one facility, Bughran ANP District Headquarters (\$0.84 million), that was later de-scoped from the contract and, as a result, was not included in our inspection.

Appendix II - Status of Department of Defense Construction Projects at the Time of SIGAR's Inspections

Table 2 lists our inspection reports on Department of Defense reconstruction projects in Afghanistan, along with information about whether the facilities were built as required and were being used at the time of our inspection.

Table 2 - SIGAR Inspection Reports, Along with Building and Usage Information

Report Number, Title, and Date Issued	Built as Required	Facilities Used
SIGAR Inspection 09-01, <i>Improvements to the Khowst City Electrical Power System: Safety and Sustainability Issues Were Not Adequately Addressed</i> , July 28, 2009	No	Yes
SIGAR Inspection 09-02, <i>Mahmood Raqi to Nijrab Road Construction Project in Kapisa Province: Contract Requirements Met, But Sustainability Concerns Exist</i> , October 2, 2009	Yes	Yes
SIGAR Inspection 10-01, <i>Farukh Shah School Construction Project, Kapisa Province: Project Completion Approved Before All Contract Requirements Met</i> , October 26, 2009	No	Yes
SIGAR Inspection 10-02, <i>Abdul Manan Secondary School Construction Project in Kapisa Province: Insufficient Planning, Safety Problems, and Poor Quality Control Affect Project Results</i> , October 26, 2009	No	No
SIGAR Inspection 10-03, <i>Habib Rahman Secondary School Construction Project in Kapisa Province: Design and Safety Issues Require Attention</i> , October 26, 2009	No	No*
SIGAR Inspection 10-04, <i>Kohi Girls' School Construction Project in Kapisa Province: Construction Delays Resolved, But Safety Concerns Remain</i> , October 26, 2009	Yes	No*
SIGAR Audit 10-07, <i>The Toig Bridge Construction is Nearly Complete, but Several Contract Issues Need to Be Addressed</i> , March 1, 2010	No	No*
SIGAR Audit 10-09, <i>ANA Garrison at Kunduz Does Not Meet All Quality and Oversight Requirements; Serious Soil Issues Need to Be Addressed</i> , April 30, 2010	No	No
SIGAR Audit 10-10, <i>ANA Garrison at Gamberi Appears Well Built Overall but Some Construction Issues Need to Be Addressed</i> , April 30, 2010	Yes	No*
SIGAR Audit 10-12, <i>ANP Compound at Kandahar Generally Met Contract Terms but Has Project Planning, Oversight, and Sustainability Issues</i> , July 22, 2010	Yes	No
SIGAR Audit 10-14, <i>ANA Garrison at Farah Appeared Well Built Overall but Some Construction Issues Should Be Addressed</i> , July 30, 2010	No	Yes

SIGAR Audit 11-03, ANP District Headquarters Facilities in Helmand and Kandahar Provinces Have Significant Deficiencies Due to Lack of Oversight and Poor Contractor Performance, October 27, 2010		
Garm Ser Afghan National Police (ANP) District Headquarters	No	No
Nad Ali ANP District Headquarters	No	Yes
Nahri Saraj ANP District Headquarters	No	Yes
Spin Boldak ANP District Headquarters	No	No
Takha Pul ANP District Headquarters	No	No
Zeheli ANP District Headquarters	No	No
SIGAR Audit 11-09, ANA Facilities at Mazar-e-Sharif and Herat Generally Met Construction Requirements, but Contractor Oversight Should Be Strengthened, April 25, 2011		
Afghan National Army (ANA) Facilities at Mazar-e-Sharif: Camp Shaheen	Yes	Yes
ANA Facilities at Herat: Camp Zafar	Yes	Yes
SIGAR Inspection-12-1, Construction Deficiencies at Afghan Border Police Bases Put \$19 Million Investment at Risk, July 30, 2012		
Lal Por 1	No	Yes
Lal Por 2	No	No
Nayzan Base	No	Yes
SIGAR Audit 12-02, Better Planning and Oversight Could Have Reduced Construction Delays and Costs at the Kabul Military Training Center, October 26, 2011		
	No	Yes
SIGAR Audit 12-03, Afghan National Security University Has Experienced Cost Growth and Schedule Delays, and Contract Administration Needs Improvement, October 26, 2011		
	Yes	No
SIGAR Inspection 13-1, Kunduz ANA Garrison: Army Corps of Engineers Released Dyncorp of All Contractual Obligations Despite Poor Performance and Structural Failures, October 25, 2012		
	No	Yes
SIGAR Inspection 13-2, Wardak Province National Police Training Center: Contract Requirements Generally Met, but Deficiencies and Maintenance Issues Need to Be Addressed, October 30, 2012		
	Yes	Yes
SIGAR Inspection 13-3, Gamberi Afghan National Army Garrison: Site Grading and Infrastructure Maintenance Problems Put Facilities at Risk, October 30, 2012		
	No	Yes
SIGAR Inspection-13-4, Kunduz Afghan National Police Provincial Headquarters: After Construction Delays and Cost Increases, Concerns Remain About the Facility's Usability and Sustainability, January 24, 2013		
	Yes	No
SIGAR Inspection-13-5, Iman Sahib Border Police Company Headquarters in Kunduz Province: \$7.3 Million Facility Sits Largely Unused, January 29, 2013		
	Yes	Yes
SIGAR 16-24-TY		

SIGAR Inspection 13-6, <i>Afghan National Police Main Road Security Company, Kunduz Province: Project Does Not Meet Construction Requirements, Is Behind Schedule, And May Not Be Sustainable</i> , April 17, 2013	No	No*
SIGAR Inspection 13-7, <i>Qala-i-Muslim Medical Clinic: Serving The Community Well, But Construction Quality Could Not Be Fully Assessed</i> , April 17, 2013	Yes	Yes
SIGAR Inspection 13-8, <i>Forward Operating Base Salerno: Inadequate Planning Resulted in \$5 Million Spent for Unused Incinerators and the Continued Use of Potentially Hazardous Open-Air Burn Pit Operations</i> , April 25, 2013	Yes	No
SIGAR Inspection 13-10, <i>Bathkhak School: Unauthorized Contract Design Changes and Poor Construction Could Compromise Structural Integrity</i> , July 24, 2013	No	No*
SIGAR 14-5-IP, <i>Archi District Police Headquarters: Extensive Mold, Lack of Running Water, and Inoperable Electrical Systems Show Facilities Are Not Being Sustained</i> , October 20, 2013	Yes	Yes
SIGAR 14-10-IP, <i>Walayatti Medical Clinic: Facility Was Not Constructed According to Design Specifications and Has Never Been Used</i> , October 30, 2013	No	No
SIGAR 14-13-IP, <i>Forward Operating Base Sharana: Poor Planning and Construction Resulted in \$5.4 Million Spent for Inoperable Incinerators and Continued Use of Open-Air Burn Pits</i> , December 16, 2013	No	No
SIGAR 14-31-IP, <i>Salang Hospital: Lack of Water and Power Severely Limits Hospital Services, and Major Construction Deficiencies Raise Safety Concerns</i> , January 29, 2014	No	Yes
SIGAR 14-41-IP, <i>Camp Monitor: Most Construction Appears to Have Met Contract Requirements, but It Is Unclear If Facility Is Being Used as Intended</i> , March 12, 2014	No	No
SIGAR 14-81-IP, <i>Shindand Airbase: Use of Open-Air Burn Pit Violated Department of Defense Regulations</i> , July 14, 2014	Yes	Yes
SIGAR 14-82-IP, <i>Gereshk Cold and Dry Storage Facility: Quality of Construction Appears To Be Good, but The Facility Has Not Been Used to Date</i> , July 16, 2014	Yes	No
SIGAR 15-25-IP, <i>ANA Camp Commando Phase II: Power Plant and Fuel Point Not Fully Operational Nearly Two Years After Project Completion</i> , January 6, 2015	No	Yes
SIGAR 15-27-IP, <i>Afghan Special Police Training Center's Dry Fire Range: Poor Contractor Performance and Poor Government Oversight Led to Project Failure</i> , January 13, 2015	No	Yes
SIGAR 15-51-IP, <i>Afghan National Army Slaughterhouse: Stalled Construction Project Was Terminated After \$1.25 Million Spent</i> , April 20, 2015	No	No

SIGAR 15-74-IP, \$14.7 Million Warehouse Facility at Kandahar Airfield: Construction Delays Prevented Facility From Being Used as Intended, July 15, 2015	Yes	No
SIGAR 16-16-IP, Afghan Ministry of Defense Headquarters: \$154.7 Million Building Appears Well Built, but Has Several Construction Issues that Should Be Assessed, February 11, 2016	Yes	Yes

Source: SIGAR analysis of inspection reports issued to date

Note: * These facilities were not being used because they were still under construction within their originally scheduled completion date.

Chairman CHAFFETZ. Thank you, Mr. Sopko. And I appreciate the diligent work that you and your team do in a very, very difficult place.

And, Ms. Abizaid, I can't thank enough the men and women who actually serve in the military, again, very difficult conditions at best. We know how difficult it is. But we would appreciate the Department of Defense's perspective, and so we will now recognize you for 5 minutes.

STATEMENT OF CHRISTINE S. ABIZAID

Ms. ABIZAID. Thank you, Mr. Chairman.

Chairman CHAFFETZ. Can you move that mic—just bring it right on down there.

Ms. ABIZAID. How's that?

Chairman CHAFFETZ. Yes, much better.

Ms. ABIZAID. Is that —

Chairman CHAFFETZ. Thank you.

Ms. ABIZAID. Thank you, sir. Chairman Chaffetz, members of the committee, thank you for inviting me to discuss the Department of Defense infrastructure projects in Afghanistan and for your attention to our mission there.

I'm honored to have the opportunity to update you, alongside my colleagues who are present here today. All of us take seriously our responsibility to be good stewards of taxpayer dollars.

You have my longer statement for the record, so I will focus my remarks on a couple of key points this morning.

Over the previous 14 plus years, U.S. forces have worked with our international partners to improve security and stability in Afghanistan. We are forever grateful to and honor the 2,236 U.S. service members who have lost their lives while serving in Afghanistan, the over 20,000 military personnel who have been wounded, and the thousands of families who have sacrificed for this important mission, a mission that is fundamentally about preventing Afghanistan from once again becoming a safe haven from which terrorists can plan attacks against the United States homeland, U.S. interests abroad, or our international partners.

Currently, DOD is conducting two complementary missions in Afghanistan: a counterterrorism mission against the remnants of al Qaeda and other extremist groups that threaten the United States; and a NATO-led train, advise, and assist mission with Afghan National Defense and Security Forces, known as Resolute Support.

The era characterized by large investments in infrastructure projects, which coincided primarily with the U.S. troop surge, largely concluded more than a year ago. At the height of our combat mission, annual appropriations for the Afghan Security Forces Fund (ASFF), the Commanders Emergency Response Program (CERP), and the Afghanistan Infrastructure Fund (AIF) reached about \$12 billion. This fiscal year those appropriations are down. Congress appropriated \$5 billion for CERP and \$3.7 billion for ASFF. One percent of this funding is currently allocated for infrastructure, and we have not requested any further funds for AIF since 2014.

Now, over the last 10 years DOD completed over \$9 billion in infrastructure projects for the Ministries of Defense and Interior and

their forces, including more than 1,000 projects supporting basing requirements for the ANA, the Afghan National Army, and the Afghan National Police. Development of this basing footprint has been crucial to enabling the Afghan forces to assume full responsibility for the security of Afghanistan so that the United States and the coalition can end its combat mission.

On a smaller scale, DOD also executed projects through AIF primarily to address the lack of electricity that is impeding Afghanistan's economic growth, and CERP, which local commanders use to address urgent humanitarian and reconstruction needs such as repairing village wells or building security walls around schools.

And for each source of funds, the Department developed guidance on how projects were to be approved and managed. Generally, smaller-scale projects were approved in theater. In accordance with congressional requirements, many of the larger projects were approved at the highest levels of the Department and notified to the appropriate congressional oversight committees. Once approved, projects were managed by executing agencies in theater with oversight provided by various offices, working groups, and councils within the Department of Defense.

Now, this is not to say that all projects were problem-free. Afghanistan is a war-torn country with an active insurgency, a history of corruption, poor transportation infrastructure, and little production and manufacturing capacity. Infrastructure development in this environment is challenging, and we have learned many lessons over the last 14 plus years.

Now, as my colleagues can describe, we work closely with contractors to manage problems and control costs. We're also successfully using trained Afghan quality assurance personnel to conduct onsite inspections and tests at locations that U.S. personnel cannot regularly visit. I understand SIGAR does the same with its inspections in the current environment.

Now, in some cases, projects have failed. For example, SIGAR recently published a report about an Afghan police training facility constructed in 2012 that cost nearly \$500,000. The walls dissolved in the rain. That is simply unacceptable.

We appreciate the efforts of the inspectors general to shine a light on these problems so we can take corrective action. We have worked closely with auditors on more than 500 audit reports and oversight projects since 2008 and have taken action to improve the execution of our reconstruction efforts. In a recent compilation of SIGAR's past reports on infrastructure, SIGAR noted that DOD addressed 90 percent of its recommendations.

Now, no one in DOD is satisfied with a failed project. It hurts the mission, it undermines the confidence in the Department, and it wastes taxpayer funds. Fortunately, failure is rare. Due to DOD personnel in theater who continue to work tirelessly and often at great personal risk, the vast majority of infrastructure projects were completed successfully and used as intended to the benefit of the Afghan people and to long-term U.S. interests. Notwithstanding some mistakes, overall, I'd characterize it DOD's infrastructure programs, particularly those that have focused on Afghanistan's core security needs, as highly successful and critical to

the Afghan Government's ability to provide security across Afghanistan.

I do want to stress that we are committed to ensuring U.S. taxpayer funds are used efficiently and invested wisely. The American people have made a generous and important contribution to the ANDSF and the future of Afghanistan, and the support has been key in enabling the United States to step out of a large-scale combat role as Afghans increasingly defend their country.

In closing, I want to again thank the committee for this opportunity to discuss our efforts to develop necessary infrastructure in support of our mission and to ensure that we are doing so responsibly. Thank you very much, Mr. Chairman.

[Prepared statement of Ms. Abizaid follows:]

**Testimony of
Christine Abizaid, Deputy Assistant Secretary of Defense for
Afghanistan, Pakistan, and Central Asia**

**House Committee on Oversight and Government Reform
Hearing on “Rebuilding Afghanistan: Oversight of
Defense Department Infrastructure Projects”
March 16, 2016, 9:00 AM
2154 Rayburn House Office Building**

Chairman Chaffetz, Ranking Member Cummings, and Members of the Committee, thank you for inviting me to discuss Department of Defense (DoD) infrastructure projects in Afghanistan. I am honored to have the opportunity to update you alongside my colleagues Mr. Howard Stickley from the U.S. Army Corps of Engineers (USACE), Mr. Randy Brown from the Air Force Civil Engineering Center, and Mr. John Sopko, the Special Inspector General for Afghanistan Reconstruction (SIGAR).

I also want to thank the members of this Committee for your attention to our efforts in Afghanistan. All of the witnesses before you today take seriously our responsibility to be good stewards of U.S. taxpayer dollars and to ensure our DoD personnel – military and civilian – as well as our diplomats and other U.S. Government personnel in Afghanistan, have the resources, authorities, and guidance they need to accomplish their mission. We are forever grateful to and honor the 2,236 U.S. service members who lost their lives while serving in

Afghanistan, the 20,129 military personnel who were wounded, and the thousands of families who have sacrificed for this important mission. Their efforts represent a strategically significant contribution to the security of our homeland as we work to prevent Afghanistan from once again becoming a safe haven from which terrorists can plan attacks against the U.S. homeland, U.S. interests abroad, or our international partners.

Within DoD, my office is responsible to provide overall policy guidance for and oversight of the mission in Afghanistan, including reconstruction efforts funded by the Afghanistan Security Forces Fund (ASFF), the Afghanistan Infrastructure Fund (AIF), and the Commander's Emergency Response Program (CERP). We have daily contact with key personnel in theater at the Combined Security Transition Assistance Command-Afghanistan (CSTC-A) and U.S. Forces-Afghanistan (USFOR-A) Joint Engineers, which have primary responsibility for the execution of DoD infrastructure projects in Afghanistan. In addition, we work closely with the Joint Staff, U.S. Central Command (USCENTCOM), the Department of State, and the U.S. Agency for International Development (USAID), and others as we continually assess the status of our efforts in Afghanistan. My office also supports the efforts of the Office of the Lead Inspector General (IG) for Afghanistan – the DoD IG – as well as the Office of the SIGAR, the Government Accountability Office, and other audit agencies, ensuring

they have the information and appropriate context they require to fulfill their respective statutory mandates.

Today, I will briefly discuss the policy framework in which DoD conducts its overall mission in Afghanistan, describe DoD's current approach to infrastructure projects, and describe how DoD manages and oversees those projects. In doing so, I will also describe our dedication to accountability and transparency regarding how DoD spends U.S. taxpayer dollars in support of Afghanistan's reconstruction.

Over the previous 14-plus years, U.S. forces have worked with our international partners and the Afghan government to improve security and stability in Afghanistan. In this contingency environment, our mission focus has evolved over time – from a combat mission focused on counterterrorism and counterinsurgency that ended in December 2014, to our current non-combat mission. Currently, DoD is conducting two complementary, but narrow missions in Afghanistan as part of Operation FREEDOM'S SENTINEL: a counterterrorism mission against the remnants of al Qaeda and other extremist groups that threaten the United States – such as the Islamic State in Khorasan Province (IS-KP) – and a North Atlantic Treaty Organization (NATO)-led train, advise, and assist mission with the Afghan National Defense and Security Forces (ANDSF), known as Resolute Support.

Rather than the more than 100,000 U.S. military personnel at hundreds of locations during our former mission, today there are 9,800 U.S. military personnel at a handful of locations. The era characterized by large investments in infrastructure projects, which coincided with the U.S. troop surge and an emphasis on counterinsurgency and stability operations, largely concluded with the end of our combat mission in December 2014.

Over the last ten years, DoD completed over \$9 billion in infrastructure projects for the Ministries of Defense (MoD) and Interior (MoI) and their forces. For the MoD, we completed more than 380 projects providing barracks, dining facilities, training sites, and other basing infrastructure. This work now supports 24 Afghan National Army (ANA) combat brigades, 3 combat air wings, 24 branch and basic training schools, and a number of support facilities, such as depots, hospitals, and other training facilities.

For the MoI, we completed more than 730 projects. These included station houses for provincial and district-level police headquarters located throughout all the provinces of Afghanistan, six border police zones, eight Afghan National Civil Order Police brigades, and five regional training zones, along with other such facilities like warehouses, hospitals, and recruiting collection points.

On a smaller scale, DoD also executed projects through AIF and CERP. With AIF, DoD partnered with the Department of State, USAID, and the Afghan

government to implement a small number of long-term infrastructure projects with a focus on providing electricity to millions of Afghans in restive parts of the country. The lack of reliable, affordable power is one of the biggest impediments to Afghanistan's economic growth.

With CERP, local commanders completed thousands of small-scale humanitarian and reconstruction projects to improve security and stability in their areas of operations. For example, U.S. forces used CERP to construct or repair thousands of village wells, repair roads damaged by improvised explosive devices (IEDs), and build security walls around schools and clinics.

At the height of combat operations, the annual appropriations for ASFF, CERP, and AIF reached \$10.6 billion, \$1 billion, and \$400 million, respectively. Our current funding levels are substantially less, and our allocations for infrastructure are a mere fraction of current appropriations. For fiscal year (FY) 2016, Congress appropriated \$5 million for CERP and \$3.7 billion for ASFF, of which one percent is allocated for infrastructure. Further, we have not requested any funds for AIF since FY 2014.

Since FY 2013, DoD has sharply reduced funding requests for ANDSF infrastructure, as our efforts in Afghanistan have evolved from establishing the force to sustaining the force. Large-scale construction projects are no longer the norm. Today, ASFF infrastructure dollars go to the upkeep and repair of existing

facilities. DoD is now focused on the completion of a small number of remaining planned projects, such as a munitions storage facility for the Afghan Air Force A-29 aircraft, and projects intended to enhance the participation of women in the ANDSF. CSTC-A engineers are now focused on training the ANDSF to design, contract, oversee, and deliver their own facility requirements, although the ANDSF will still require CSTC-A contracts to perform the most complex projects until they develop the capacity to do so for themselves.

To be sure, there remains a need for basic infrastructure in Afghanistan and, fortunately, the international community continues to invest in major power, water, and transportation initiatives which are critical for Afghanistan's economic development. However, consistent with our current counterterrorism and train, advise, and assist missions, DoD has appropriately curtailed its role in funding and building new infrastructure.

With respect to how the Department implemented past projects in Afghanistan—and continues to execute ongoing infrastructure projects—I'd like to explain DoD's system of processes and procedures to ensure we use our limited resources to build only what is needed to advance our mission, to meet the appropriate standards of quality, and to mitigate the risks of waste, fraud, or abuse.

Infrastructure requirements are typically generated and validated long before the President submits a budget request to Congress and are later re-assessed according to funding levels authorized and appropriated by Congress, changes to the mission, and ANDSF operational requirements, as validated in theater. Requirements for individual projects are reviewed and approved taking into account projected costs, which include not only construction costs but also the estimated annual costs for operations and maintenance of the project. Project approval also takes into account the ability of the Afghans to sustain the infrastructure and fund operations and maintenance. In accordance with the requirements set forth by Congress for each funding source, many projects are approved at the highest levels of the Department and notified to the appropriate congressional oversight committees.

Within the Office of the Secretary of Defense (OSD), large projects funded by ASFF, AIF, and CERP are approved and overseen by the Afghanistan Resources Oversight Council (AROC), established by the Deputy Secretary of Defense in 2011. I am one of chairs of the AROC, along with senior officials from OSD Comptroller and Acquisition, Technology, and Logistics. AROC members include the Joint Staff, the Office of Army Financial Management and Comptroller, USCENTCOM, CSTC-A, USACE, and others.

Project approval, however, is only the first step. As my colleagues can explain in further detail, various offices, interagency working groups, and individuals at all levels – from the AROC in the Pentagon, to USACE engineers in theater – continue to monitor and oversee projects until they are completed.

This is not to say that all projects are a success. As Mr. Sopko will describe, some projects do experience problems, delays, cost-overruns, and other setbacks. As you are all aware, Afghanistan has been at war for decades and has an active insurgency. It remains a challenging and dangerous environment, and while it is improving, there is a long history of corruption. Beyond the obvious security threats and the risk to the lives of U.S. personnel—military and civilian, alike—many infrastructure projects have a long lead-time and face significant obstacles in the staging of projects.

After decades of war, the ability to source constructions materials locally is difficult due to the lack of existing production and manufacturing capacity. As a land-locked country without viable rail transport for commercial goods, most materials must be imported and delivered by trucks across the Pakistan border. Importing construction materials increases costs and puts delivery schedules at the mercy of underdeveloped roads and highways, corrupt border officials, insurgent activity, and common criminals.

In order to develop local Afghan construction and engineering capacity and reduce security costs, we often use local contractors, enabling them to develop critical management capabilities and technical skills. As my colleagues can describe, we mitigate the risks of this approach by working closely with the contractors to manage problems, control costs, and forecast project completion. USACE also successfully developed an Afghan Quality Assurance Personnel Program to train local experts to conduct on-site inspections and tests at USACE construction sites that U.S. personnel cannot regularly visit.

In a handful of cases, projects have failed. For example, Mr. Sopko and his inspections team recently published a report about an Afghan police training facility, which cost nearly \$500,000. According to a U.S. mentor who alerted authorities, the walls dissolved or “melted” in the rain. That is unacceptable. And we appreciate the efforts of SIGAR, the DoD IG, the Government Accountability Office, and others for shining a light on these problems so we can take corrective action. We have worked closely with auditors on more than 500 audits, inspections, and other oversight projects, and have taken action to improve the execution of our reconstruction efforts. This includes continual reviews of projects, which have resulted in the cancelation of hundreds of millions of dollars in proposed planned projects. When we do fail, we work to learn from these mistakes – many of which we have identified ourselves – and implement changes.

In fact, in a recent compilation of SIGAR's past infrastructure reports, SIGAR notes that, of the 95 recommendations spanning 36 infrastructure inspection reports between July 2009 and September 2015, "DoD implemented 86, or 90 percent" of those recommendations. SIGAR goes on to say, "DoD generally took action to improve efficiency and effectiveness in its reconstruction activities, and to correct construction deficiencies."

These facts only serve to underscore DoD's commitment to a responsible effort in Afghanistan. Nobody in the Department of Defense is satisfied with a failed project. It hurts the mission, undermines confidence in the Department, and wastes taxpayer funds. Fortunately, failure is rare. The vast majority of infrastructure projects – from the replacement of broken windows in a village school, to the emergency repairs that prevented the closing of the Salang Tunnel, from the restoration of irrigation capacity at the Dahla Dam, to the construction of the ANA garrison at Gamberi – were completed successfully and used as intended, to the benefit of the Afghan people and long-term U.S. interests.

DoD personnel continue to work tirelessly and often at great personal risk to help our Afghan partners successfully build critically needed infrastructure in a dangerous environment. Success in Afghanistan does not come easy, but we pursue it because of the strategic importance of our mission.

Notwithstanding some mistakes, overall, DoD's infrastructure programs – particularly those focused on Afghanistan's core security needs – have been highly successful and critical to the Afghan government's ability to provide security across Afghanistan. I want to stress that we are committed to ensuring U.S. taxpayers funds are used efficiently and invested wisely. The American people have made a generous and important contribution to the ANDSF and the future of Afghanistan. This support has enabled the United States to step out of a large-scale combat role and enable the Afghans to defend their country.

In closing, I want to again thank the Committee for this opportunity to discuss our efforts to develop necessary infrastructure in our support our mission and to ensure we are doing so responsibly.

Chairman CHAFFETZ. Thank you. I will now recognize the gentleman from Florida, Mr. Mica, for 5 minutes.

Mr. MICA. Thank you, Mr. Chairman.

To try to comprehend the scope of the spending that's gone on in the U.S. money, I think the inspector general had said—was it \$110 billion from 2002 to 2013? Is that defense money or is that all of the aid that has gone into Afghanistan?

Mr. SOPKO. That's all reconstruction money.

Mr. MICA. So —

Mr. SOPKO. DOD has the bulk of that.

Mr. MICA. Okay.

Ms. ABIZAID. The DOD money is about \$60 billion over that time period.

Mr. MICA. So about half. I was told that the budget for the entire Afghan Government is about \$5 billion a year. Is that right?

Ms. ABIZAID. I think that's generally accurate, sir.

Mr. MICA. Yes. And then I'm also told that there's other money coming in. Is it NATO money or European money, aid money?

Ms. ABIZAID. So, sir, the —

Mr. MICA. On top of that?

Ms. ABIZAID. The budget for the Afghan National Security Force's —

Mr. MICA. Yes.

Ms. ABIZAID.—total is about \$5 billion. There is international funds to the tune of about \$1 billion that is coming in. The Afghan Government pays about \$500 million and the United States —

Mr. MICA. So —

Ms. ABIZAID.—pays the rest.

Mr. MICA.—we are talking billions on top of billions, right? Was it you, sir, that told me—I am trying to remember who it was—that the Afghans did not have the ability to absorb or steal any more money?

Mr. SOPKO. Congressman, I don't know if I said they didn't have the capacity to steal —

Mr. MICA. Because I—well —

Mr. SOPKO.—but I think they had the—it's the capacity to use —

Mr. MICA. I was told by a representative—I am pretty sure it was out of your office and I think we have it on the record because I went back and said did you say absorb or steal? Because I know when I went there I had been informed of, all the way up to the presidency, what money was being stolen. But is that still the case? They don't have the ability to absorb or misappropriate any more money?

Mr. SOPKO. Congressman, absorption is a problem. We spent a lot of money there, gave them a lot of money, and they're not able to spend it either.

Mr. MICA. And then—okay.

Mr. SOPKO. Yes.

Mr. MICA. Another thing, too, is I am told that the Taliban now are starting to control more areas, and I read where your area of being able to conduct oversight has shrunk, is that correct?

Mr. SOPKO. That is correct.

Mr. MICA. So even where we have projects ongoing or we have had projects, you don't have the ability to go in and see what is going on, is that correct?

Mr. SOPKO. That's correct. And it's not just us, it's everybody in Afghanistan working for the U.S. Government.

Mr. MICA. When I was there, I was taken to Helmand Province. I went to half a dozen provinces or whatever around the country, and I remember the troops telling me look at the school, Mr. Mica. The school they paid 5, 10 times. It is the joke of the community of how the United States got ripped off, and that is what you have seen in some of these projects, sir?

Mr. SOPKO. That is correct, sir.

Mr. MICA. Okay. You report to both the Secretary of Defense and also the Secretary of State on what you have seen, the abuses, et cetera? Is that correct?

Mr. SOPKO. That's correct —

Mr. MICA. Okay.

Mr. SOPKO.—and Congress.

Mr. MICA. Okay. And then I see that Mrs. Clinton was the Secretary of State from—well, until 2013, and you reported not only to the DOD Secretary but to her. Some of the biggest abuses were in USAID money that I saw. Is that under Secretary of State or is it under DOD?

Mr. SOPKO. USAID is a separate entity I think —

Mr. MICA. But is it under State or is it under DOD?

Mr. SOPKO. It's a separate entity. It's a—has an administrator

Mr. MICA. So no one—you did not report to her about those abuses, the Secretary —

Mr. SOPKO. Well —

Mr. MICA.—of State at the time?

Mr. SOPKO. Congressman, we file our reports with Secretary of State, Secretary —

Mr. MICA. So she has had —

Mr. SOPKO.—of Defense —

Mr. MICA. She had those reports. And are they required to reply or they do reply? Now, you just told me you replied on 90 percent or something. Do we have a record of what came out of State?

Mr. SOPKO. On all of our reports to go to State Department, we would —

Mr. MICA. Can you —

Mr. SOPKO. We do. We do.

Mr. MICA.—supply us with copies of the responses? Because it appears a lot of money was wasted and not attended to on some of these projects not only under DOD but under the State Department. And I want to see and have in the record the response from DOD and State and what steps were taken. Can you provide the committee with that?

Mr. SOPKO. We definitely can do that, sir.

Mr. MICA. All right. And then lastly, Mr. Chairman, I am very concerned about idle assets. You know, our Federal Government should stop—I have always said should stop sitting on its assets, and we have assets over there that you have identified not only the ones you are spending money on that you describe and renovations

that are unnecessary or unwarranted and costly but also assets that we have that are sitting idle that we have transferred over to them. And if you could give us a list of those for the record, I appreciate that, and yield back the balance of my time.

Chairman CHAFFETZ. Thank you. I will now recognize the gentleman from Massachusetts, Mr. Lynch, for 5 minutes.

Mr. LYNCH. Thank you, Mr. Chairman. I want to thank the witnesses here today. Mr. Sopko, good to see you again.

I have got a couple of quick questions. Any of our panel members, have you been dealing at all with the Kunduz situation where we accidentally attacked that hospital in a firefight?

Ms. ABIZAID. Sir, I'm generally familiar with it. It is an investigation that's happening in the military chain of command.

Mr. LYNCH. Yes. So here is what I am worrying about. This is just the interplay between hospital construction and we are doing a bit of that. You know, the chairman and I have been to Afghanistan way too many times, and oftentimes, the hospitals look like every other building not only in Kabul but, you know, Kandahar and in Kunduz. And I was wondering, as we are doing this, it is not really reconstruction. We are doing construction. It says Afghan rebuilding or reconstruction, but in many cases there is nothing to reconstruct; we are constructing.

And I am just wondering on the hospital construction piece, are we building in structural components that would clearly identify those as hospitals so we don't have that accident happen again? I realize that we have very unreliable power sources, so lighting and things like that that would be obvious to us in the United States, they don't have those resources there on a consistent basis. But it at least appears among some of the reports that the hospital was indistinguishable. I know the coordinates were provided, but visibly, visually I guess the hospital was indistinguishable from some of the adjacent buildings, and I am just wondering if we are curing that defect within our protocol for hospital construction.

Ms. ABIZAID. Sir, we haven't yet finalized the details of what the reconstruction of the building that was mistakenly struck will entail. I would say that I would fully expect that at the time that we do decide to reconstruct a clinic if that's in fact the case —

Mr. LYNCH. Yes, I am not talking about that one. I am talking about we are doing a bunch of other hospitals, and so, obviously, that opportunity presents itself with every hospital. And I am just wondering—and we have got a bunch of them in the report today, a bunch of hospital and clinic reconstruction. Are we distinguishing these buildings from other buildings so this doesn't happen again? That is all I am asking.

Ms. ABIZAID. Sir, I will take that for the record.

[The information follows:]

Ms. ABIZAID. I would say that I am not aware of significant DOD projects that are currently underway other than the rebuild in Kunduz that include hospitals. The ones that were—the clinics that were constructed in the past I'll need to check for the record to make sure that we did do due diligence on the distinguishing feature.

Mr. LYNCH. I know in Iraq, you know, your counterpart Mr. Sopko had, you know, the Red Cross or the Red Crescent on the

roof of these, the helipads, things like that, that clearly identified the buildings were hospitals, and I am just wondering —

Mr. SOPKO. Congressman, if I could add to what the assistant secretary said, and this is an issue I think Congress should address. DOD has been very good on having accurate geospatial coordinates for the buildings they've built. We have been publicly critical of USAID for having a rather sloppy and flippant attitude to geospatial.

Mr. LYNCH. Okay.

Mr. SOPKO. And we have issued—and I'm happy to provide to you—a number of critical letters to USAID administrators to make certain that geospatial coordinates are accurate.

Mr. LYNCH. Okay.

Mr. SOPKO. I don't know if you read about it. We did a survey. We found out some of the coordinates were in the Mediterranean

Mr. LYNCH. Yes.

Mr. SOPKO.—some were in Turkmenistan and elsewhere. I think you're onto a good point. I can't tell you about any —

Mr. LYNCH. All right.

Mr. SOPKO.—crescent signals, but you need good geospatial coordinates.

Mr. LYNCH. Okay.

Mr. SOPKO. DOD has done a good job at that. AID has been less than —

Mr. LYNCH. I just spent 4 minutes on my quick question, so let me just jump on the fact that these contractors are being paid in full, in the United States, of course, we have a different format where we get a performance bond and we hold that back, and if they don't perform properly, we cash in on that bond. We also do retention, 10 percent of the contract price. They don't get that until we go in there and reaffirm at the end that they have performed their contract. Are we doing any of that?

Ms. ABIZAID. My understanding is that, yes, we are in fact doing that. Let me turn it to my colleagues.

Mr. LYNCH. Thank you.

Mr. STRICKLEY. Yes, sir. We do use the same FAR procedures in Afghanistan as we use in the United States or elsewhere in the world. The difference is when we contract with these small Afghan firms, we're trying to build construction capacity in the country.

Mr. LYNCH. Right.

Mr. STRICKLEY. We're trying to help them learn how to do responsible construction management. And if we hold much money from them, they will financially fail. They just do not have the resources in their company to—for us to withhold much.

Mr. LYNCH. Okay. That is —

Mr. STRICKLEY. So where we can, we do, but it's project-dependent.

Mr. LYNCH. All right. Thank you very much. I see my time has expired. I yield back. Thank you, Mr. Chairman.

Chairman CHAFFETZ. Thank you. I now recognize the gentleman from Tennessee, Mr. Duncan, for 5 minutes.

Mr. DUNCAN. Well, thank you, Mr. Chairman, and thank you for holding this hearing.

The easiest thing in the world is to spend other people's money, and unfortunately, we have seen over and over and over and over again that there apparently are no fiscal conservatives at the Pentagon. They can say they are good stewards of the public's money, but actions speak much louder than words. And Mr. Sopko's 30-something reports have listed hundreds of examples of just ridiculous waste. I mean, I have got in front of me an NPR report with \$770 million on aircraft for Afghanistan that the military can't use, a report that was in all kinds of papers, \$34 million on a white elephant headquarters that will never be used.

In fact, in the NPR report Mr. Sopko is quoted as saying "the joke in my office is we will eventually see a base where on one side of the base they are destroying it while on the other side they are building it, and then they will probably meet in the middle." It is really sad. One organization that looked at this found \$17 billion in waste.

There has been so much waste in Iraq and Afghanistan. I know that a few days ago I think a Senate committee got very upset about a hearing about \$6 million spent on nine blond goats from Italy. Are you familiar with the blond goats, Mr. Sopko?

Mr. SOPKO. Yes, unfortunately, I am. And it was a program by the Task Force for Business Stabilization. It was basically an attempt to rebuild or build a cashmere market, and as far as we know, it was a failure. They did import goats. They sent a team actually to Mongolia to try to bring back Mongolian goat semen. We're still tracking that down.

As far as we know—we talked to a subject matter expert who said they tried to do that they needed to be done in 20 years in a 2-year period, and it was a total failure. We will be issuing a report on that in more detail, but the problem is there were no metrics and what type of metrics they had they didn't even follow.

Mr. DUNCAN. Well, it is just really sad, and the American people are disgusted about this. I represent a very pro-military district, but I will tell you that I have been here a long time, and I voted for the first war in Iraq because I heard about Saddam Hussein's elite troops and how great a threat they were, and then I saw those same elite troops surrendering to CNN camera crews and empty tanks. So realized then the threat had been greatly exaggerated.

So I became very skeptical about the second Iraq war, and so they called me down to a little room at the White house with Condoleezza Rice and George Tenet, the head of the CIA. Lawrence Lindsey, the President's economic advisor had said that day or the day before that a war with Iraq would cost us \$200 billion. He was fired. I asked about that. Condoleezza Rice said, oh, no, it wouldn't cost us anything like that. It will be \$50 or \$60 billion and we get some of that back from our allies.

My point is all of these actions in Iraq and Afghanistan, there has been so much waste, it is just unbelievable, and yet we are still doing it after 15 years. And this estimate of \$50 or \$60 billion by Condoleezza Rice and then we end up spending trillions. And it is just really, really sad.

I end up voting against the second war in Iraq, and it was probably the most unpopular vote I have ever done for 3 or 4 years, but what was the most unpopular vote has, over the years, turned into

the most popular vote I have ever done because the American people are just fed up with this waste, and they are just feeling like we are long past the time when we need to stop trying to run the whole world and we start putting our own people in our own country first once again.

And I just want to say again, Mr. Sopko, I am very grateful and thankful for the work that you have done over there pointing out this so hopefully we won't keep doing these types of things in the future.

Thank you, Mr. Chairman.

Chairman CHAFFETZ. Thank you.

I will now recognize the gentlewoman from New Jersey, Mrs. Watson Coleman, for 5 minutes.

Mrs. WATSON COLEMAN. Thank you, Mr. Chairman.

Mr. Lynch actually was starting a line of questioning I was interested in, so I would like to just yield to him.

Mr. LYNCH. I thank the gentlelady for yielding. I appreciate that.

Mr. Sopko, I want to talk about Afghan defense force training. There are a lot of reports both in the press and from your office that the reliability of the data that we are getting from the Afghan Government relative to the amount of security forces they have on hand, especially in Helmand and Kandahar Provinces are not reliable. There is one report that says that up to 40 percent of the people we are paying in the Afghan defense forces are ghost employees; they do not exist. And so the commanders on the ground there are basically taking that money for themselves. There aren't really people there to be paid. And I just wonder if your own investigation supports that premise.

Mr. SOPKO. That figure I believe of 40 percent was quoted by, I believe, a parliamentarian, an Afghan parliamentarian or a provincial director I think down in Helmand Province, so we have not been able to corroborate that.

The concern we have is we've seen ghost schools, we've seen ghost teachers, we've seen ghost clinics, ghost doctors, ghost civil servants, and we have heard of ghost soldiers. We actually heard part of the problem in Helmand and part of the problem in Kunduz were the units may not have been as fulsome as we expected. Our concern is we don't really have the capability of verifying that anymore because we don't have the troops underground, we don't have the people. We're using anecdotal information. And that is a concern I think we all have, particularly based upon the history in Afghanistan.

And our concerns have been confirmed by the Ghani government. They've done a number of studies at least on the teachers and the clinics, and they're finding the same things that we are finding. But so far we haven't been able to do that.

Mr. LYNCH. Now, Ms. Abizaid, do you have anything on that?

Ms. ABIZAID. Yes, sir, I'd just like to respond briefly. I fully acknowledge that there are reports of ghost soldiers and sort of the volume of ghost soldier—the ghost soldier problem is something that we desperately want to get our arms around. I think the 40 percent figure is actually overrated, but, sir —

Mr. LYNCH. Let me just —

Ms. ABIZAID.—we are —

Mr. LYNCH. Let me just suggest something.

Ms. ABIZAID. Yes, sir.

Mr. LYNCH. Okay. We don't have to count every single soldier, but, look, just take a unit down in Helmand Province or in Kandahar or Nangarhar, whatever we want to do, and just do some samples. We have got payroll requests, and, you are right, we don't have the resources anymore to do this, you know, full-spectrum analysis of what they are doing, but you can certainly pick two or three units where we are getting requests for funding and then fly in there on payday and see who picks up their checks, who is picking up their pay. And all you need to do is do two or three of those and we will have a good sample of what is going on and we might nip that in the bud if they know we are going to do that on occasion.

Ms. ABIZAID. Yes, sir. And we'll take that back to the field.

I did want to say that we are instituting new systems and processes to increase the accountability and our visibility into the soldiers that are getting paid through an integrated pay-and-personnel system and through the issuance of biometric ID cards for the Afghan National Army. These are really important systems to address the kind of accountability that we're talking about, make sure the people that are supposed to be getting paid are getting paid.

And for—you know, to the example that you raised about increasing our visibility into specific units, we actually have pretty good visibility now into the units in Helmand and the kind of roles that they are keeping, and we have noted a significant degree of absence from rolls, attrition rates that are higher than we would have expected. Our engagement with the Afghan National Security Forces and the Ministries of Defense and Interior have enabled greater insight as we work to rebuild and reconstitute that force in Helmand that is in the midst of a fight.

Mr. LYNCH. Okay. Mr. Sopko, what do you think we should look at? Members of Congress will be going over to Afghanistan fairly soon. Any areas that you think we should look at more closely while we are there?

Mr. SOPKO. Security is number one. Verify to yourself as best as you can that the ANDSF has the capabilities, the Afghan security forces have those capabilities. The second thing, Congressman Lynch, is get outside of the embassy, get outside of the command structure and talk to some of the people, talk to some of the soldiers privately, talk to some of the people in the NGO community privately and to get their assessment. Every time I go there, I try to do that. Every time I go there, I try to meet with Afghan soldiers

Mr. LYNCH. And so do we. I have to give the chairman great credit. We get outside the wire every time we go.

Mr. SOPKO. Then you get the true picture. You don't get the happy talk —

Mr. LYNCH. Yes.

Mr. SOPKO.—that you'll find in the embassy.

And the other thing is, Congressman, I've been going there now 4 years. Every time I go, I'm told we're winning and every time I go I can see less of the country.

Mr. LYNCH. Yes.

Mr. SOPKO. It's so bad now I can't even drive from the airport, and no American civilian can drive from the airport to the embassy. We have to fly.

Mr. LYNCH. Right.

Mr. SOPKO. Last time I was there, I wanted to go across the street to do an inquiry, and I was told I was going to have to help across the street —

Mr. LYNCH. Yes.

Mr. SOPKO.—at the cost of \$60,000. Now, if that's winning, what is losing —

Mr. LYNCH. Yes.

Mr. SOPKO.—in Afghanistan?

Mr. LYNCH. Well, I would just in closing that if they are advising you not to drive from the airport the embassy, you should not drive. We have done that drive many times. That is not a good situation, so you continue to fly, sir. Thank you. I yield back.

Chairman CHAFFETZ. I thank the gentleman.

I would now recognize the gentleman from Michigan, Mr. Walberg, for 5 minutes.

Mr. WALBERG. Thank you, Mr. Chairman, and thanks to the panel for being here.

Mr. Sopko, for the past two Congresses, as you know, the House has passed multiple amendments to limit funding or reduce funding for the Afghanistan Infrastructure Fund, some of my amendments as well. Unfortunately, these bipartisan amendments don't get through and into the spending packages because of the insistence by DOD that additional funding sources are needed to finish the projects.

I understand that we look to our commanders in the field. We want their guidance. We want to know what they think is necessary to finish the important job that they are doing, but should DOD also fully analyze the costs of particular projects and whether the Afghans will be able to maintain these projects before we allocate additional resources?

Mr. SOPKO. I agree wholeheartedly with that. They should.

Mr. WALBERG. That is just expected.

Ms. Abizaid?

Ms. ABIZAID. Sir, with respect to Afghanistan Infrastructure Funds, I would note that this—most of the DOD funds associated with that, first, we are no longer requesting funds and haven't since 2014. We do want some funds to be able to complete ongoing projects. Those projects are being turned over to a self-sufficient Afghan entity known as DABS, which has actually been quite successful in generating revenues and actually being able to sustain many of the projects that we've undertaken in coordination with

Mr. WALBERG. Do you anticipate asking for additional reallocated funds for these projects?

Ms. ABIZAID. Not at this time. We are trying to use portions of ASIF to finish out the projects.

Mr. WALBERG. You are confident you have enough funding?

Ms. ABIZAID. Once the projects are complete, we do not expect any additional funds.

Mr. WALBERG. Mr. Sopko, as a general matter, did DOD conduct any risk-based analysis or feasibility studies before undertaking any of the construction projects that SIGAR inspected?

Mr. SOPKO. I am not aware of that. I'm not saying they didn't. I don't think they did, but I'm not absolutely certain. I would have to —

Mr. WALBERG. Ms. Abizaid, could you answer that? Did any feasibility studies to deal with the taxpayer funds?

Ms. ABIZAID. Let me deferred to my colleagues in the engineering.

Mr. STRICKLEY. I can give you an example, sir, of an AIF project —

Chairman CHAFFETZ. You can move the microphone right up under your—there we go.

Mr. STRICKLEY. Yes, thank you. I can give you an example of a project that we started to do in Helmand Province with AIF funding at the Dahla Dam that would have been about \$150 million, \$175 million project. And as we got further into the design, we eventually canceled the project because we did not think we would be able to execute it in a responsible fashion.

It's an existing dam. We were going to increase its capacity, and we were concerned because of a security situation in that region that we—once we started construction, we might—or our contractor might be forced off the site, and that would have been a catastrophic situation.

Mr. WALBERG. Has this then produced additional effort to do feasibility studies and risk analysis before you even begin the engineering and the expensive process?

Mr. STRICKLEY. Yes, sir. I think we do, especially on those large AIF infrastructure projects. We routinely did analysis of the ability to execute the project. So most of them we're doing now are electrical transmission lines, and we think we are able to complete those in a reasonable time and a reasonable manner. And so we proceeded on —

Mr. WALBERG. Well, you know, we would all, all I think feel better if we knew that the process began first with a risk analysis, feasibility study before we invested.

Mr. Sopko, do you believe that the Afghan Government is prepared to take over full responsibility, operation, and maintenance of DOD-constructed facilities in Afghanistan?

Mr. SOPKO. If the question is are they capable, no, they are not capable at this point. They can't—they don't have the technical capability and they don't have the financial capability so we're going to have to support them.

I mean, just to go back to a question one of your colleagues asked, Congressman, they raise approximately \$2 billion in revenue. The cost of the entire Afghan National Security Forces is \$5 billion approximately. The cost of the rest of the government we've given them is another \$4 billion, \$3-\$4 billion. So there's a delta there. They can raise \$2 billion. It's \$8-\$10 billion to support the government. That delta is provided by the U.S. taxpayer and the coalition taxpayers. So from a financial point of view, they cannot maintain.

A good question to ask is how much money are we now giving to the Afghan Government to do O&M for all the buildings we just—we give them or build for them? And that's a significant amount. And remember, every dollar of O&M, overhead and maintenance that the Afghans spend is one less dollar they can spend for hiring a trooper, for buying bullets, for guns, or whatever. So we've got to realize we're stuck now of having built an Afghan infrastructure that the Afghans cannot afford.

Mr. WALBERG. I appreciate that. That is a question that we need to keep asking, especially in context of how long we continue to put ourselves in harm's way. That includes our taxpayer funding as well. So thank you.

I yield back.

Chairman CHAFFETZ. I thank the gentleman.

I now recognize the gentleman from Virginia, Mr. Connolly, for 5 minutes.

Mr. CONNOLLY. Thank you, Mr. Chairman.

Mr. Sopko, welcome back. I have to say, listening to this and reading your report, you know, there is a French expression *plus ça change, plus c'est la même chose*, you know, the more things change, the more they stay the same, echoes of Vietnam, echoes of other large investments both by DOD and AID and the same old story, can't keep track of it, billions wasted, had to, you know, demolish it.

I am looking at your report, for example. Your report, *inter alia*, on the inspection of six Afghan National Police district facilities in Helmand and Kandahar Provinces in 2010, one of the findings in that report was there was poor contractor performance to say the least. One of your report's recommendations was to ensure that identified construction deficiencies of future projects be paid for by the responsible contractor instead of the U.S. Government. By the way, was that recommendation accepted?

Mr. SOPKO. Congressman, I'd have to check on that.

Mr. CONNOLLY. All right. In 2015, your inspection report for the Afghan special police training centers dry fire range found that the regional contracting center failed to hold the contractor accountable for correcting deficiencies in construction before the contract warranty expired. The Afghan Government had to demolish the facility and rebuild it using Afghan money. Is that correct, Mr. Sopko?

Mr. SOPKO. That is correct, sir.

Mr. CONNOLLY. Help us understand how that we could arrive at that state of affairs. I mean, I listen to you talk about, you know, if that is winning, what would losing be? I have got to helicopter across the street. How in the world—if that is the security situation, how can we with a straight face say there is actually sufficient oversight on any investment we are making in Afghanistan?

Mr. SOPKO. It is difficult. I mean, I wish I could cite some French back to you, sir, but it's—there's probably a phrase of that. I mean, we are in a situation now where we have built too much too fast with too little oversight. And I feel like the detective that shows up and the body is not only gone from the murder scene, the chalk outline has now disappeared and I am trying to find somebody accountable.

Now, the good thing is you have a good team over in Afghanistan with the CSTC-A and with Commander Campbell, a new commander there, who really are taking this seriously and they're trying to put conditions on it. The other good thing is the National Unity Government under President Ghani really wants to change things. So that is the positive side of this. And you have, under the Assistant Secretary Abizaid, a good team here that recognizes it.

But we've got 15 years of real problems. We have 15 years of not applying the metrics, sir, that you and I had a long conversation about. We didn't apply metrics. And to this day I still have not heard back from the Secretary of Defense, Secretary of State, and USAID to give me their top 10 successes and why. Give me your successful programs and why. Give me your failures and why. If anything, right now, you need to rack and stack what worked and what didn't in Afghanistan —

Mr. CONNOLLY. Absolutely.

Mr. SOPKO.—and nobody is able to say that to me.

Mr. CONNOLLY. You know, in terms of when in doubt, it seems to me—echoing Mr. Duncan's comments—I would rather pull the plug and not make the risk of an investment than to expend U.S. taxpayer dollars on a failing enterprise that has to be demolished. I mean, I don't know what good is done by that investment other than, I suppose, some people can pocket some money and some people can be on the payroll. But the damage done both to our prestige, you know, the symbolism of that failed investment and the taxpayer here to me outweighs the risk of making an investment.

Ms. Abizaid, do you want to comment on that?

Ms. ABIZAID. Yes, sir. I appreciate your concerns, and I also appreciate Mr. Sopko acknowledging all that we have done, especially in recent years as the mission has changed to scope the mission appropriately going forward.

I agree with you. I think that the melting walls on an Afghan firing range are—is an unacceptable situation to have found ourselves in. I would also say that that is one project but not representative of the thousands of projects that we've undertaken in Afghanistan. You know, some of the successes that I can cite are having built a basing structure for a new Afghan National Security Force from which they're fighting a live counterinsurgency right now and, you know, with some problems but also some successes.

And so, you know, as we look to carry less and less burden ourselves both in dollars and American blood, we are trying to shift responsibility as much as possible to the Afghan Government. I think over the last year we've seen good success in that, and the program now is to find the right balance in terms of what we ask them to do, what we enable them to do, how we can build their own capacity, and what's going to fall to us to address our core national security interests.

Mr. CONNOLLY. I appreciate that, but let me just echo what Mr. Sopko said. If we are that confident that, yes, there are some failures we can point to put there are also some successes, then it ought not to be that difficult for Secretary Carter to respond to Mr. Sopko's request, which I certainly bless. Give us the top 10. You know, help us understand what lessons were learned from these

successes. If you want to throw in some failures, that would be welcome, too, so that we are not repeating.

And that is why I began by saying plus ça change. Nothing changes in decades of these kinds of investments. Do we ever learn from our experience in investing in, you know, very difficult circumstances where corruption is rampant, where government is inefficient, in the case of the previous government, frankly, of questionable intent in a lot of cases? And a lot hinges on that.

And what is the price we have paid? A deteriorating security—a badly deteriorating security situation and a lot of wasted dollars, and that is not without consequence. If I were the Taliban, I would point to that. If you want to throw your lot in with those people, let me take you to this demolished police training facility or whatever. And so it is not without consequences beyond even dollars.

Thank you, Mr. Chairman.

Chairman CHAFFETZ. I thank the gentleman.

I am now going to recognize myself.

Mr. Sopko, let's go to 60,000 feet here for a second. Give us the big numbers and dollars spent. And I want our colleagues and everybody to understand the numbers that we are going to talk about here have nothing to do with the war fight, okay? They don't have anything to do with our fighting, the men and women, feeding them, housing them, tanks, airplanes, whatever else we need to fight the war. This is the construction part of the aid that we are giving them. How much money have we spent in just Afghanistan? It is north of \$100 billion, is it not?

Mr. SOPKO. Yes, Mr. Chairman. It's actually \$113 billion.

Chairman CHAFFETZ. So of the \$113 billion that has been spent, how much if it has been appropriated but not yet allocated or not yet spent?

Mr. SOPKO. We have approximately—let me get that figure. I think it's \$11.45 billion in the pipeline as of the end of 2015, so \$11 billion is in the pipeline.

Chairman CHAFFETZ. So \$11 billion in the pipeline. So to the three representatives from the Department of Defense, how much is enough? How much more money does it take from the United States taxpayers, from the men and women who actually do the jobs and make the money and pay their taxes, how much more money do we have to pour into Afghanistan for just the reconstruction? Or is this just going to go on in perpetuity with no end? How much more do you need?

Ms. ABIZAD. Sir, I think we are around a steady-state amount of about \$3.4 billion, \$3.5 billion. That might go up given some Afghan security —

Chairman CHAFFETZ. So if you have 4 billion more dollars, you are going to be fine?

Ms. ABIZAD. In the next year, sir, the cost to sustain the Afghan National Security Forces is about \$3.4 billion, \$3.5 billion —

Chairman CHAFFETZ. Annually?

Ms. ABIZAD.—a year. Yes, sir.

Chairman CHAFFETZ. That is just to continue to stand up the Afghan Government?

Ms. ABIZAD. That's —

Chairman CHAFFETZ. And that would come from this fund is what you want?

Ms. ABIZAID. That's right, sir.

Chairman CHAFFETZ. So yesterday and tomorrow, we are having a hearing about Flint and water. I just don't understand how we pour \$100 billion into Afghanistan and we have got people who can't turn on a faucet in Michigan and drink the water. And so we are in tough financial straits in our own country. We are \$19 trillion, trillion in debt. And it sounds to me like we have got some \$7 billion that is sitting on the sidelines that has already been appropriated. This is not new money. It has already been set aside that you don't need next year, correct? Is that accurate? If you have \$11 billion that has been appropriated but not yet allocated and you need less than \$4 billion a year to stand up the Afghan Government, what are you doing with the other \$8 billion?

Ms. ABIZAID. Sir, that is total appropriation. The part that is for DOD is the \$3.5 billion. The \$11 billion is total U.S. Government, and that is State, AID, and other agencies.

Mr. SOPKO. Chairman, the \$3.45 billion is just supporting the Afghan military and police. You've still got to pay for the rest of the Afghan Government, okay, the teachers, the health clinics, the roads, and everything else.

Chairman CHAFFETZ. How much does that cost?

Mr. SOPKO. Well, as I said before, that's about \$8-\$10 billion total, subtract out the \$5 billion, \$4 billion for the police. So we're talking about \$6 billion.

Chairman CHAFFETZ. So help me with the math here. What is the annual expenditure the American Government needs to spend in—or that the military and the State Department and everybody else wants to spend every year?

Mr. SOPKO. I'd go back to —

Chairman CHAFFETZ. This is just the reconstruction, no fighting.

Mr. SOPKO. Reconstruction. I'd go back to the figure I told you. The Afghans raise about \$2 billion in legal taxes —

Chairman CHAFFETZ. Right.

Mr. SOPKO.—legal taxes. They do illegally tax our contractors, but let's just say legal taxes. It costs about \$4-\$5 billion for the military. So we've got a \$3 billion delta.

Chairman CHAFFETZ. Yes.

Mr. SOPKO. And then another \$3-\$4 billion above that. So it's \$7 billion that somebody has to pay. Up to now, it's the U.S. taxpayers and the coalition per year. Per year I'm talking about.

Chairman CHAFFETZ. And what percentage is the United States paying versus the rest of the world?

Ms. ABIZAID. Sir, for the Afghan National Security Forces we're talking about \$1 billion from the rest of the world. The development aid I think—I would need to check with State, but I think they're shooting for \$1 billion as well.

Chairman CHAFFETZ. So, sorry, Mr. Sopko, help me get the top line number here. How much money are we putting in and how much is the rest of the world putting in, DOD plus State Department, USAID, all that?

Mr. SOPKO. It sounds like the rest of our coalition is giving about \$2 billion and we're picking up the other \$6-\$7 billion.

Chairman CHAFFETZ. And how much—is there any extra money just floating around because, Mr. Sopko, last time we talked about, it was nearly \$20 billion. We were doing more projects in Afghanistan than we ever were in the history of Afghanistan, correct?

Mr. SOPKO. Yes. I mean, actually, the amount of money we're spending on reconstruction in Afghanistan is more we're paying for reconstruction in any other country in the United States and I think we've ever done anywhere. I mean, it's more than we spent on the entire Marshall Plan for Europe after the war.

Ms. ABIZOID. Sir, so \$60 billion total in terms of ASIF, the fund that supports the Afghan National Security and Defense Forces. They're—at its height it was about \$10 billion a year appropriation. We have worked very hard as our mission has changed to move away from building up the ANDSF and the costly experiences associated with that and getting it to a better steady-state level at the \$3.5 billion rate that we are currently at.

As a means of increasing the efficiency of our investment in Afghanistan, we are looking to slope that cost of the force down. Security costs are very high both for the Afghan Government and for ourselves, and so one of the keys here is reducing violence levels in Afghanistan in a reasonable amount of time. And the ANDSF is going to —

Chairman CHAFFETZ. Well, We have been at it for 14 years, so where are we at?

Ms. ABIZOID. The Afghan Government has been in full lead for security responsibility over the last year. They had mixed success, but there was success, and they are—we expect them to continue to develop and improve your —

Chairman CHAFFETZ. You can't drive from the airport to the embassy. I have driven that. It is not a long distance. But you can't do that today. So are you telling me it is more secure or less secure?

Ms. ABIZOID. The international presence is certainly under threat in Afghanistan.

Chairman CHAFFETZ. Yes, it is less —

Ms. ABIZOID.—that is what —

Chairman CHAFFETZ.—secure.

Ms. ABIZOID.—we're trying to do to protect ourselves.

Chairman CHAFFETZ. With indulgence here from the rest of the committee, I have a couple other questions. You know what, let me go back. I will have to ask a second round, but let me ask one other really quick question.

How many people do we have in Afghanistan? I want to know how many DOD personnel and contractors do we have there, not just so-called boots on the ground but I think this boots on the ground is a facade because really when you go and you hire thousands or hundreds of—I don't know what the number is—of contractors, I don't know how those aren't human beings as well. How many people does the Department of Defense have on the ground in Afghanistan?

Ms. ABIZOID. Sir, I'll have to get back to you on the full number, but you're right, our contractor-to-boots-on-the-ground ratio is high. I think it's at about four to one, but I'll have to confirm that for the—and get it back to you for the record.

Chairman CHAFFETZ. You have got a lot of staff sitting behind you, so if somebody could work on that number before the end of this hearing, that would be really helpful.

Mr. SOPKO. Mr. Chairman, I think I can give that number to you.

Chairman CHAFFETZ. Sure.

Mr. SOPKO. Our best guesstimate—and again, it changes every day—is 39,609 total contractors. It's not just for DOD; it's also for AID and State. Fourteen thousand two hundred and twenty-two approximately are U.S. citizens or 36 percent. So we've got about 40,000 contractors.

Chairman CHAFFETZ. And how many employees or—whether they be military, USAID, State Department?

Mr. SOPKO. I'll have to get back to you on that.

Chairman CHAFFETZ. All right. A lot of staff back there.

Ms. ABIZAID. We're working on it.

Chairman CHAFFETZ. Bust out those smartphones. We are going to come up with this number before we leave this hearing.

Now, let's recognize the gentlewoman from Illinois, Ms. Kelly, for 5 minutes.

Ms. KELLY. Thank you, Mr. Chair.

Today, SIGAR released a report looking back at 6 years of DOD reconstruction projects in Afghanistan. Reports such as these, as well as those by various inspectors general and GAO, are critical to our ability to learn lessons from problems today and improve our efforts in the future. In fact, although U.S. forces in Afghanistan were critical about parts of SIGAR's report in their comments, they highlighted, "the value of this report lies in consolidating lessons which may benefit organizations charged with construction efforts in similar environments.

Mr. Sopko, how else would you suggest DOD ensure lessons such as these are incorporated into their mission? And I have a cold. Excuse me.

Mr. SOPKO. I think the—I think what I recommended is take those lessons and apply them for every new contract, but I think the best thing to do right now is to do a thorough, complete assessment of the needs for any new construction, and that has been done in the past and I'm just saying we should do it now. It's probably a good time to do that again. General Dunford did that, and we actually commended him when he was commander of ASIF for saving close to half-a-billion dollars by canceling programs. So I think that's the way to do it. Now is the time to do an assessment, and not only DOD. AID and State should do it, too, and that's a way to incorporate that.

Ms. KELLY. Okay. Thank you.

Ms. ABIZAID. Ma'am, can I just address —

Ms. KELLY. Sure.

Ms. ABIZAID. —through the help of inspectors general, including Mr. Sopko, we have learned quite a few lessons through—in our 14 plus years in Afghanistan. You know, some of the lessons that we have learned specifically about reconstruction and infrastructure projects include having a continual review of the projects at hand so if they are unneeded we can actually stop construction on those projects and return taxpayer money, working closely with the inspectors general to identify problems to take corrective action, as

we have done in 90 percent of the recommendations that we heard from this report, including engineering experts on the front end of projects so we make sure that we're not only undertaking a project that's needed but building it right the first time around. That's been something that I think we've done increasingly well over time.

And balance the need for urgency in a contingency war environment with the kind of analysis that's going to be appropriate in that environment. And so, you know, these are some of the lessons. There are many others that we've learned through cooperation with the inspector general.

Ms. KELLY. You kind of answered—I was going to ask you questions about that, but I wanted to give Mr. Brown and Mr. Strickley a chance to describe how their experiences in Iraq have impacted contracting efforts in Afghanistan.

Mr. STRICKLEY. Yes, ma'am. I appreciate that question. So the Corps of Engineers has done an extensive lessons-learned study of our experiences in Iraq and now in Afghanistan, and we have just published a special study of the Corps of Engineers' experiences in both Iraq and Afghanistan, and the Army Center for Lessons Learned is adopting this, and it will be incorporated into Army engineer training in the future and it will become a part of—it is a part of how we organize ourselves and manage our work in Afghanistan now, and we will apply it to other contingency operations in the future.

One of the things that Ms. Abizaid said that we—that is a huge lesson for us is that we were probably overly optimistic at the beginning in Afghanistan with how rapidly we could build things. And lots of things from the security situation to the border problems with Pakistan conspired against us. So we had good intentions when we awarded contracts, you know, 6, 7 years ago, and then the contractors, through no fault of their own and no lack of effort on their own, they just could not achieve the schedules that we set out for. So that was a huge lesson learned for us is —

Ms. KELLY. Can I add —

Mr. STRICKLEY.—be a little more skeptical.

Ms. KELLY. Being overly optimistic, how much money did that cost being overly optimistic?

Mr. STRICKLEY. I couldn't begin to estimate that. I don't know. In many cases what happened was the contractor was just unable to perform, so the buildings were not delivered when we wanted them to be delivered. So in some cases you see that facilities were completed and then never used. Well, that's part of the—what caused that. The Corps of Engineers simply was not able to do the—complete the construction in the time that we wanted to. Thank you.

Mr. BROWN. Yes, ma'am, I just would like to address, in addition to what the Corps has already mentioned, a couple other things. I think for us some of the lessons learned that were critical what is that we need to adapt the facilities to the local needs, and so looking at what is available in the local market that can be sustained over time.

So sometimes we may look at bringing in a U.S. construction technique or design and put it into a country where maybe those materials aren't available in that country or its—it will be very dif-

difficult to sustain. So while we are sure that we used the right standards for safety, we've learned that we need to adjust what we do, especially with the finishes, to make sure that that's sustainable over time.

Also, there's a code that we use, the Unified Facilities Code that all of DOD uses that we've recently just in late '13 have released that. And that addresses the kinds of things that we need to consider when we go into contingency operations.

For us within AFCEC we've also updated what we call our playbooks, which is our internal processes, so that both from a contingency perspective and work we do for military construction, we've bounced those lessons learned off each other so that we understand from a standards perspective what we should be doing and also what we've learned from these contingency operations to make sure that in the future, as we support the military, that we've captured those lessons learned, they're in our processes, and they'll be there when the next folks are called upon to do something like this.

Ms. KELLY. Thank you. I know my time is up.

Chairman CHAFFETZ. Thank you.

I will now recognize the gentleman from Kentucky, Mr. Massie, for 5 minutes.

Mr. MASSIE. Thank you, Mr. Chairman.

Mr. Sopko, did you testified that \$113 billion has been spent in Afghanistan since 2002?

Mr. SOPKO. For reconstruction only.

Mr. MASSIE. On reconstruction. And this includes building the Afghan National Security Forces, to promoting good governance and engaging in counter narcotics?

Mr. SOPKO. That's correct, sir.

Mr. MASSIE. All right.

Mr. SOPKO. Among other things, yes.

Mr. MASSIE. So let's talk a little bit about the counter narcotics side of this. Has opiate production gone up or down since 2002 in Afghanistan?

Mr. SOPKO. It's one of the most popular crops. It's been a success, yes. Opium production is up.

Mr. MASSIE. And what percent of the world's supply of non-pharmaceutical opiates come from Afghanistan?

Mr. SOPKO. I think, sir, it's 80 to 90 percent.

Mr. MASSIE. That is what I hear, too, from the United Nations Office of Drugs and Crime. They say about 90 percent of the world opiates, non-pharmaceutical opiates. So how much of this \$113 billion have we spent on counter narcotics efforts there?

Mr. SOPKO. Approximately \$8.4 billion. That's billion with a B.

Mr. MASSIE. And how much has opiate production gone up since 2002 or since some benchmark that you can —

Mr. SOPKO. I don't have the exact number, but I think they're producing well more now than they did during the Taliban years, and it has been the only successful export from Afghanistan for the 15 years we've been there.

Mr. MASSIE. Ms. Abizaid, is this consistent with what you know about opiate production in Afghanistan?

Ms. ABIZAID. I'd need to check and get back to you on how numbers today compare to 2002. I know over the last year, mostly due

to weather, there was a decrease in the poppy crop. I think that the weather patterns this year mean that that'll likely increase. But whether it's a full increase since 2002, I'd need to take that for the record, sir.

Mr. MASSIE. So I have read reports that opiate production has as much as tripled since we invaded Afghanistan in that country. How much do you think it has gone up, Ms. Abizaid? Has it gone up or down?

Ms. ABIZAID. Sir, I'll need to take that for the record. I don't have an impression that it has tripled, but that is not something that I follow on a daily basis as part of my portfolio, so I'll check with those that do.

Mr. MASSIE. So the counter narcotics effort is not within the DOD?

Ms. ABIZAID. Yes, sir, it is within the DOD —

Mr. MASSIE. How do you measure success if you don't know —

Ms. ABIZAID. Sir, the counter narcotics money that the Department of Defense has been in Afghanistan has primarily been to support the special mission wing, which is an Afghan aviation program. That's actually one of the most successful programs in Afghanistan. Now, whether that's affected the overall levels of opiates and poppy cultivation, I don't have those numbers for you. I will say that reporting standards have increased widely over the last, you know, 14 plus years in Afghanistan as more and more credible sources have come in. So whether in 2002 that were accurate figures are not is something I just can't speak to, sir.

Mr. MASSIE. Would you testify today that opiate production has gone up since you started the counter narcotics effort or that it has gone down? This is a very simple —

Ms. ABIZAID. I understand, sir. I don't—I'm sorry. I don't have the answer for you.

Mr. MASSIE. You don't know if it has gone up or down?

Ms. ABIZAID. I am sorry, I do not.

Mr. MASSIE. How can you account for—I mean, I trust you have had a lot of activity because you have spent \$8 billion there, but what about progress?

Ms. ABIZAID. The progress that DOD has made in the use of its counter narcotics funds are represented by the success of the special mission wing, which is an Afghan aviation program. The total levels of opiate production, I will ask my staff to engage and get that answer and I will try and have that before the end of the hearing as well, sir.

Mr. SOPKO. Congressman, can I just add —

Mr. MASSIE. Yes, please, Mr. Sopko.

Mr. SOPKO. I think what you're focusing on is so important. We tend to focus on inputs. That's the amount of money we spend, and outputs, you know, we bought a whole bunch of airplanes and we have a nice special mission wing, but we never looked the issue that you're looking at. What is the outcome? The outcome, sir is that opium production is higher today. Two thousand and fourteen was the highest production year in Afghanistan. So if you look at any metrics for success or failure—and I've been doing counter narcotics—I did it for Sam Nunn when I was on his committee. For 15 years I looked at counter narcotics activities in the United

States. You look at arrests, you look at seizures, you look at amount of crops underproduction, hectares under production, you look at the number of addicts.

If you look at every one of those metrics, we have failed. The arrests are down, seizures are down, production is up, hectares under production is up, the amount of money being gained, and more important for Afghanistan, the amount of money going to the insurgency has increased since we've been there.

So, sir, to you—and I'm just a simple country lawyer—I don't think we've succeeded in Afghanistan. I make this statement like I did before about winning. If this is winning, what is losing the drug war?

Mr. MASSIE. Just to close out here and to summarize what I am hearing, the war on drugs in Afghanistan, to the extent there is a war on drugs, has been a failure. We have spent \$8 billion over there. Production is the highest it has ever been. And here in the United States we have a heroin epidemic. I think these two things might be related.

And, you know, next week we are going to have a hearing in this exact committee to talk about the heroin epidemic. I think it is time to reevaluate our strategy and our tactics in the war on drugs in Afghanistan.

With that, I yield back.

Chairman CHAFFETZ. I thank the gentleman. He makes a good point. And I would also add to that that this is how the insurgency is funded, right, is it not? I mean, this is where they get their money, their assets to fight and kill and take down America, correct?

Mr. SOPKO. That is correct. It's one of the sources. There are other sources. And I would note, Congressman, Mr. Chairman, is that a lot of the activities we're seeing, the fighting we're seeing in Helmand and up in the Kunduz area is drug-related. These are terrorists groups fighting over the drugs and these are local police and local Afghan officials fighting over drug control.

Ashraf Ghani warned us before he was President if we didn't do something and if the Afghans didn't do something, his country would become a narco terrorist state. And I think his prediction is coming true.

Mr. MASSIE. Department of Defense, you want to add anything to that?

Ms. ABIZAID. Sir, I'd only say that we absolutely acknowledge that narcotics trafficking is a major funder of the insurgency. Counterinsurgency operations that go against insurgent strongholds do so and try and address some of those smuggling routes, some of that poppy cultivation, but it is a serious problem and it's one that we are very focused on, which is why we funded the special mission wing to engage in both counterterrorism and counter narcotics missions.

I will acknowledge and do have information from my staff that counter narcotics—that poppy cultivation has generally gone up over the last 10 years. We'll get more specifics for you, sir. And while it has fluctuated year by year, again, often weather-dependent, I would not claim that we have significantly degraded the kind of funding that comes from those illegal substances.

Chairman CHAFFETZ. Thank you.

I now recognize the gentlewoman from New York, Mrs. Maloney.

Mrs. MALONEY. This is one of the most depressing hearings I have ever sat through. It is just terrible what we are hearing. And I think at the very least you can start a policy that you don't build any more buildings unless you have proof that they can operate them and maintain them. That is ridiculous that you have to build a building and then operate and maintain it for additional cost. That is insanity to continue doing that. I don't see why we don't immediately stop that process.

And Mr. Sopko's statement that he's trying to get a list of what works and what doesn't and can't even achieve that, I think Mr. Chairman or some of us should write a letter to support your efforts, and if they can't still give you that list, we should legislate it, put the force of law that they have got to give you this information. And it seems to be a lesson in mismanagement.

And my first question is to Mr. Brown from DOD. And I would like you to briefly explain the difference between a cost plus fixed fee and a firm fixed price contract. And I note an IG report of the Afghan Ministry of Defense, the Air Force Civil Engineers Center awarded a \$48 million cost plus fixed fee contract to construct the building by 2010, and it ended up after 14 contract modifications, the cost was more than double at \$107 million. Is that right, Mr. Brown? It is almost unbelievable.

Mr. BROWN. Yes, it is.

Mrs. MALONEY. And then you go back with a firm fixed price and they are able to complete it on time ahead of schedule for \$47 million. So just from that one example, it looks like we should be going with a firm fixed price contract and stop the cost plus fixed fee. But your comments on it, please, Mr. Brown.

Mr. BROWN. I'd be happy to. Yes, cost plus fixed fee is usually used when you have risks that you just don't feel that you can bound them properly, right, so if you can't guarantee what the material pipeline may look like. So it's a shared risk between those who hold the contract and those who you contract with.

When we go into a firm fixed price contract, that is where we're much more comfortable that we can set a price and it can be delivered for that price, that there is appropriate risk being carried by both the government and by the contractor.

I will say, as we looked back over the history of the work we did in Afghanistan, we saw early on—I think as respective to what was the status of the affairs early on—that we used a fair amount of cost plus fixed fee contracts early when we were early involved. But from about '11, '12 on, we switched most of our work to firm fixed price because at that point we felt we could better guarantee the price and hold the contractor to that.

In the case of the headquarters, let me just kind of walk back through what happened there. That was a cost plus fixed fee —

Mrs. MALONEY. Yes, I read that so —

Mr. BROWN. Okay.

Mrs. MALONEY.—I just wanted to get to your comments.

So I just would like to go to Mr. Sopko. You know, do you believe that one contract type is better than another? And do you believe

that the cost overruns and other issues associated with this project could have been prevented by just using a firm fixed price contract?

Mr. SOPKO. Absolutely. I would never use a cost plus contract in Afghanistan. You're basically asking for the American taxpayer to end up getting fleeced, and that's what you had here. I mean, there is no risk. And I take umbrage with the colleague that somehow we're sharing risk in a cost plus contract. The only person sharing the risk is the U.S. taxpayer. The contractor doesn't have to do anything. He's going to get the additional funding, and that's what you see here, 5 additional years to do the contract and a cost overrun of hundreds of millions of dollars. So I would never use a cost-plus contract in a place like Afghanistan.

Mrs. MALONEY. Well, why don't we stop that policy right now?

I would like to ask Mr. Sopko, what do you think we should do now with these out-of-control costs?

Mr. SOPKO. As I said before, I think we need to reassess what we've done up to now, and by "we" I mean not SIGAR. We're going to do our own lessons learned on this. I think that each agency has to do it, rack and stack what's worked, what hasn't, and what do we need to do in Afghanistan. But we have to prioritize.

Now, we have talked about promising a decade of transition. That means at least for the next 10 years the billions of dollars that the chairman has been trying to figure out with us that we're going to spend, we've promised 10 more years of this. The other thing you have to consider if we stop funding the Afghan Government, it will collapse and the bad guys will take over.

So we're between a rock and a hard spot, but you really need, from a policy point of view, make a decision and go forward on that. But I think we need to start by doing racking and stacking and prioritizing what the Afghans really need.

Ms. ABIZAID. Ma'am, with respect to that prioritization, I do think that we are engaged in that. If you look at the amount of money we are going to be spending on infrastructure projects in the next year, it's 1 percent of the total request, which the total request is already quite a bit lower than it was. And it is on those priority efforts that are about increasing Afghan National Security Force capability in ways that we don't have to it expand U.S. resources to make up for.

So in particular, they have a fixed wing aircraft that needs infrastructure, storage for munitions. We're spending money on that. We're not spending money on building schools or large-scale new builds. We are mostly in a place where 95 percent of the infrastructure build is over, and we are prioritizing our efforts to sustain and to have very clear objectives in what new projects we seek to undertake.

Mrs. MALONEY. Okay. My time is expired.

Chairman CHAFFETZ. If the gentlewoman would yield, I wish what you said was true, but it is not because when we look at the American taxpayer dollars, you are a portion of it. Then, you go over to the USAID, you go to State Department, you go to the others, you start to quickly realize that all these other spends on building, you know, goat farms and other things like that, we are spending money on all those things.

And if the Department of Defense was just focused on helping secure Afghanistan, I think that that would be a different equation, but it is not. And I will come back to it.

But let's recognize the gentleman from Georgia, Mr. Hice.

Mr. HICE. Thank you, Mr. Chairman.

Mr. Sopko, you made, to me, a powerful statement. Earlier you said in regard to the reconstruction that we built too much too fast with too little oversight. And unfortunately, it appears that that is a nagging, negative principle that it seems as though, at least many feel the pain that that is a principle our entire government right now seems to embrace. At least many people feel that way.

But within the context of that statement, we built too much too fast, too little oversight, how many infrastructure projects in Afghanistan are currently in development?

Mr. SOPKO. Congressman, I wouldn't have that number. I will try to find it. But the problem we have is—and this is something we've pointed out for a few years—we don't even know what we built in Afghanistan —

Mr. HICE. Okay.

Mr. SOPKO.—so I can't tell you how many are under —

Mr. HICE. That is just what I was saying. We don't know what we have built.

Ms. ABIZAID. Congressman —

Mr. HICE. We don't know what is under construction right now, we don't know what we have done —

Ms. ABIZAID. Sir, we do know what's under construction now.

Mr. HICE. Okay. What is under —

Ms. ABIZAID. I mentioned the munitions storage facility for the A-29. We also have —

Mr. HICE. How many? I don't need the details, just how many projects?

Ms. ABIZAID. I would say it's a handful, sir. I can get the details for you on the specifics. But as I mentioned, it's 1 percent of the planned budget, and we're not talking about very many new builds at all.

Mr. HICE. Okay. Please, if you would get that to me, I would appreciate it.

Mr. HICE. So it seems again that the overarching problem here is lack of oversight. Where there has been oversight—is it fair to say where there has been oversight, we have had a better outcome?

Ms. ABIZAID. That is absolutely fair to say, sir.

Mr. SOPKO. That's correct.

Mr. HICE. Okay. So what are we doing to ensure accountability to the American taxpayer that there will be oversight on these current projects and future?

Ms. ABIZAID. So we have increased oversight over the years. I think that if you look at the scope of Mr. Sopko's most recent report, it's relating projects that were from 2009 and some current projects. I think you even see in that report the kind of improvement that we've done in terms of processes and procedures for oversight. There's oversight that happens in the field through CSTC-A. There's also oversight that happens in the Department.

Mr. HICE. How many —

Ms. ABIZAID. But my colleagues —

Mr. HICE.—of these things that you are describing, how long have those been in place?

Ms. ABIZAID. They have increased over time. For instance, in the Department we have an Afghanistan Resources and Oversight Council that is co-chaired by me, comptroller, and one of my colleagues from AT&L. That's been in place for since, I think, 2013. And we have to approve projects that are above a certain dollar amount to make sure that it's consistent with our policy —

Mr. HICE. Okay.

Ms. ABIZAID.—our strategy.

Mr. HICE. All right. Excuse me for interrupting. I just have a couple more questions. So with that, I mean, time is going to be the test to confirm whether or not these new programs being implemented will provide the accountability needed.

But of the projects that have already been built that failed to meet our requirements, did I hear correctly that those contractors were paid in full? I believe that was mentioned earlier.

Ms. ABIZAID. I don't —

Mr. SOPKO. Many of them. I said that. That's what we've been

Ms. ABIZAID. Not all of them, sir.

Mr. HICE. All right. Not all of them, but many of them were paid in full for inadequate jobs, so again, taxpayer dollars wasted. How many of those projects—both the ones that were completed properly and improperly, how many are currently occupied percentagewise or are they all occupied?

Ms. ABIZAID. So, sir, of the projects that were specifically for the MOI and MOD, which I think Mr. Sopko in his report listed 27 of them, 26 of those are currently occupied and currently being used by the Afghan National Security Forces. One of them was canceled actually by the Department of Defense and saving, I think, up to about \$10 million in taxpayer —

Mr. HICE. I thought I heard earlier that there were several buildings that were built that were not occupied. Again, part of the “we built too much too fast.”

Mr. SOPKO. Oh, yes. And remember, the universe—we only looked at a few of these buildings. What you really need to do is ask the Department of Defense to tell you of all the buildings built they've —

Mr. HICE. Can I ask that —

Mr. SOPKO.—how many are occupied —

Mr. HICE. Okay.

Mr. SOPKO.—how many are being used for the purpose that they

Mr. HICE. Can I ask that we get that number?

Ms. ABIZAID. Yes, sir. We'll get that to you —

Mr. HICE. I mean, it is stunning to me that—amazing at least that we don't even know what all we have built.

Ms. ABIZAID. So, sir, I —

Mr. HICE. How can we know what is occupied if we don't even know what we have built?

Ms. ABIZAID. For those projects that we've built for the Afghan military, I think we do know and have good record of what was built. I think where there is less certainty is—are those projects

that are—that were directed under the Commander's Emergency Response Program, which is an appropriation that's gone down over time and has been managed by individual units in the field, captains, colonels depending on the size of the unit to undertake immediate-need projects like building a well, like walls for a school.

And so I think that our records on that go to the amount of appropriation that was given to a particular unit, not necessarily all specific projects. But we have good data on that and we'll certainly get it to you as a question for the record, sir.

Mr. HICE. Thank you very much.

Thank you, Mr. Chairman.

Chairman CHAFFETZ. Thank you.

I will now recognize the ranking member, Mr. Cummings.

Mr. CUMMINGS. Thank you very much.

Mr. Sopko, first of all, welcome back. It is good to see you again.

One of the largest infrastructure projects in Afghanistan was the new Ministry of Defense headquarters, which has been dubbed a mini-Pentagon. This project cost about \$200 million with a significant portion of that coming from U.S. taxpayers. In your report you say this project took almost 5 years longer to complete than anticipated and cost more than three times the original estimate. You found that one of the key reasons for this delay was security issues. In fact, there were multiple reports of suicide bomb attacks at or near the site during construction, is that correct?

Mr. SOPKO. That is correct, sir.

Mr. CUMMINGS. You indicated that the headquarters building is well-built but it has some issues that need to be assessed relating to its ability to withstand earthquakes. At the time of your report, you were still waiting for documents to close out these recommendations. Has the DOD provided you with the information you need to close out those recommendations?

Mr. SOPKO. Well, to close out the recommendations, but we never received the assessments that they did. We said they should do assessments, but we have not received those assessments prior to issuing that report. We still haven't received those assessments.

Mr. CUMMINGS. And do you have any idea when you might get them?

Mr. SOPKO. We have no idea.

Mr. CUMMINGS. Have you been pressing them for them?

Mr. SOPKO. We've asked repeatedly, but we couldn't hold the report any longer. We held it for a long time to get those assessments. We still have not gotten written assessments. Our concern is the assessments aren't in writing; they were oral. That's a concern we have maybe because we're suspicious, but we still haven't gotten written assessments.

Mr. CUMMINGS. Why would you be suspicious?

Mr. SOPKO. Oh, I've been doing this for 20-some years, sir. After a while, I get suspicious when I ask for something that's pretty simple to get and I don't get it.

Mr. CUMMINGS. Yes, we are very familiar with that concept.

Mr. SOPKO. Yes. Yes.

Mr. CUMMINGS. You also noted that as of January 7, 2016, the building was not fully occupied. Is that right?

Mr. SOPKO. That is correct.

Mr. CUMMINGS. Do you know if it is fully occupied now?

Mr. SOPKO. I don't know.

Ms. ABIZAID. Sir, it is.

Mr. CUMMINGS. It is?

Ms. ABIZAID. At 90 percent occupancy, I believe.

Mr. CUMMINGS. Ninety percent? As of when?

Ms. ABIZAID. That is the update I got from the field over the last 2 weeks, sir.

Mr. CUMMINGS. Thank you.

So let me turn to Mr. Brown. The project was managed by the Air Force Civil Engineer Center. Mr. Brown, how did the security situation in Afghanistan impact the budget and construction costs of the headquarters building?

Mr. BROWN. Yes, sir. I'd say there were probably two contributing factors there. One was the security you mentioned with the general security around the area. And we saw that that impacted us both in dollars and in time. The other thing is the proximity of that facility to the presidential compound, and so we—when we would see that there would be delays and there were fairly extensive delays whenever the President would be moving, we would have to clear the work area of all the workers until the President—Afghanistan President was back in place or had left the compound. And so that cost us about 10 months and about —

Mr. CUMMINGS. Whoa, whoa, whoa, the President moving around cost you 10 months? Is that what you just said?

Mr. BROWN. Well, cumulative over the whole time. I'm talking

Mr. CUMMINGS. What?

Mr. BROWN. Cumulative—the cumulative impact of that.

Mr. CUMMINGS. All right.

Mr. BROWN. Of having to clear the work area of all the workers and then bring them back on once we were allowed to bring the workers back on the worksite.

Mr. CUMMINGS. Had that been anticipated?

Mr. BROWN. No.

Mr. CUMMINGS. Okay.

Mr. BROWN. I don't think we understood that we were going to have to clear the work area as the head of government moved around.

Mr. CUMMINGS. So what were some of the other factors that led to the delays and increased costs?

Mr. BROWN. Probably the biggest factor was that when we went to start the project, the area that we were going to work in was in the control of the Afghan National Army. It took about 14 months for us actually secure it to get access to that area. So from the beginning the project was delayed because we could not get access to there to begin to do the construction work. That was the largest single delay that we had.

I mentioned the security issues in there. The other one we talked a little bit earlier. When we were into the project and we decided that, amongst all of the folks, including the in-country leadership, that we should convert this from a cost plus contract to a fixed price contract, we actually stopped. That took about 7 months to do that conversion while we did that. So that added to that also.

So between the three things I've mentioned, security, the ability to get access to the property, and then the conversion from a cost-plus contract to a fixed price contract, that—that equated to about 27 months.

Mr. CUMMINGS. So are you confident in the structural integrity of the building and its ability to withstand earthquake and terrorist attacks?

Mr. BROWN. Yes, we are. I will say that with respect to the concerns that were raised, we appreciate that we—we did provide information to CSTC-A to address the concerns. With respect to the seismic joints, we—we've gone back and that was part of our assessment to make sure that those were installed correctly, that those were designed correctly. Again, we use U.S. standards for that, so these are built to U.S. code so that we are assured that we are building something that is seismically sound, and they are. And so we are confident of that.

We are in large part, not only through our assessment because just in this last October there was a 7.5 earthquake in the general area. There was inspections done after the earthquake. That building held up very, very well. Only minor superficial damage was done to it. So we believe that the building is constructed properly and it has been turned over and is in use, as was mentioned earlier today.

Mr. CUMMINGS. Ms. Abizaid, this facility has cutting-edge communications security equipment, including security cameras, key cards access, computers, and x-ray scanners. How will these features improve operations and security for the Afghanistan National Defense and Security Forces?

Ms. ABIZAID. To the extent that those features make, one, the ministry more secure, and two, the ministry able to connect more effectively with the units outside of Kabul, we think that those are important features of any kind of headquarters element, including the Pentagon. So we do think that it is important to have a fully functioning building for the Ministry of Defense so we can have the kind of leadership over its security forces that are important for their effective function.

Mr. CUMMINGS. Do you believe investing in projects like the new headquarters furthers our national security goals, and if so, explain that.

Ms. ABIZAID. Sir, yes, I do. The need for the Afghan Ministry of Defense to have a secure building in a secure location and be able to effectively communicate with their forces has been an important feature for just making sure that that minister functions and increasingly on its own so that we're not taking the slack and doing the work for them ourselves, which has features of enabling dependence as opposed to enabling independence. So I do think it's an important part of what we do.

I think to do it well is very important. I know that there were some—the cost overruns are a feature of the security environment unfortunately in Afghanistan. They're also feature of bad contracting on the—in the early part of the contracts, maybe some underestimates about how much this was going to cost, and so while I think these investments are important, it's also important that we do them right.

Mr. CUMMINGS. Thank you very much. I yield back.

Chairman CHAFFETZ. I now recognize myself here.

Mr. Sopko, tell me about the Kabul Bank. I had asked you previously about the Kabul Bank. Is there any sort of update on that?

Mr. SOPKO. Yes, there is. And I know, Mr. Chairman, you've been very interested in this, and I know the ranking member has been very interested, and I think it's because of your interest that I actually have some good news to report. We have been working with the new Unity Government, the National Unity Government, and on my recent trip to Afghanistan on February 22 I met with President Ghani about the Kabul Bank and other matters.

The President indicated he wanted SIGAR to work with his new task force that he is creating to find the assets. And so he is giving us complete access to all relevant bank and financial records, as well as other individuals. So this is a tremendous breakthrough. It should have been done years ago, but President Ghani has focused on this, so we are very happy about that.

Mr. CUMMINGS. Great.

Mr. SOPKO. We have no guarantee we're going to get the money. It should have been done, like I say, 5 years ago, but the President is very eager for us to help him and recover the assets for the Afghan people.

Chairman CHAFFETZ. Very good. Thank you.

Somebody from the Department of Defense, what is the Task Force for Business and Stability Operations? What does that do and why is the Department of Defense doing it?

Ms. ABIZAID. We are not any more, sir. The Task Force for Stability—for Business and Stability Operations closed its doors in—at the end of 2014, and we are no longer engaged in the kind of business that TFBSO did.

The reason TFBSO was stood up was as part of our counterinsurgency mission. Commanders in the field felt that there was a high demand for DOD to be able to invest in economic development in a way that would complement those efforts of State and USAID.

Chairman CHAFFETZ. So —

Ms. ABIZAID. And that was the theory behind the case, sir.

Chairman CHAFFETZ. Look, I believe in our United States military. I think that they can do anything if they are given the mission and the tools to do it. But I worry that we ask the Department of Defense to go in and do things that is not core to their mission. We are great war fighters at the Department of Defense, but to go in and start doing business operations is maybe a bridge too far.

Of all the projects you have on your plate, of all the projects moving forward, what is not related to military or the building up of security forces in Afghanistan?

Ms. ABIZAID. So with the closing of TFBSO, I think that the projects that I'm most aware of are those that are associated with the Afghanistan Infrastructure Fund, and those are about infrastructure projects associated with the electric grid and completing power transmission lines, for instance. Those are projects we undertook starting several years ago, and we're just trying to finish out those projects. And they're projects that we do in coordination with USAID given the security environment and the expertise that the Corps of Engineers brings to the table.

I think, sir, also just one addendum. We are also doing—continuing to do work on the Kajaki Dam, which is also a core competency of the Corps of Engineers.

Chairman CHAFFETZ. Do you have a list of everything that you have built? I understand that the CERP funds are very difficult at that level, but do you have a list of things that you have actually built?

Ms. ABIZAID. We do have a list, sir. I can get that for you.

Chairman CHAFFETZ. Mr. Sopko, do you have that list? No. And what we're talking about, I think, is the CERP. CERP is the big—is the black hole. We built a lot, and it's not just digging ditches. We built schools, clinics, and a bunch of other things, and we don't really have that central database. We don't have a central database. Nobody does of all the work that was done in Afghanistan. GAO has found that, and we have repeatedly found that, and we have made recommendations there should be a central database of all reconstruction projects.

And I think my colleague even agrees. With the exception of CERP, they have a pretty good idea, but the CERP funds, we have no idea what we have built.

Chairman CHAFFETZ. How much money did we spend there?

Mr. SOPKO. Billions, I think. I can get the exact number.

Chairman CHAFFETZ. Okay.

Mr. SOPKO. CERP was a rather large program.

Ms. ABIZAID. CERP has changed over time. It looks like it's at \$2.2 billion over the course of the campaign, which is much different than ASIF or the other funds.

Chairman CHAFFETZ. You made an assertion that we have—you said, "we have increased oversight." Really? How do you make that case because it doesn't seem like that is the case. What is the metric you used to come to that conclusion that you have increased oversight?

Ms. ABIZAID. Well, sir, I talked earlier about some of the lessons learned that we have undertaken to increase the kind of oversight that we have provided for various projects. I think in the field, given the volume of projects that we're undertaking, we have better oversight and we have a more competent Afghan partner who's grown their capability over several years.

I don't know if my colleagues from the engineering world would be able to tell in more specifics how they have done that with specific projects.

Mr. STRICKLEY. Yes, sir. So for the construction projects, they're—when we arrived there in 2002, there was almost no construction industry in Afghanistan in the sense that we would think about construction contracting, and there was very little engineering—construction engineering capability.

Chairman CHAFFETZ. Let me ask you a simple question. Do you have a picture of every project that we have ever done?

Mr. STRICKLEY. I suspect the Corps of Engineers has a picture of every project we've built, yes.

Chairman CHAFFETZ. That is one thing I have been asking for for years, more, quite frankly, from the State Department. It just seems that in today's digital world we can take a picture. That is at least some oversight that we actually built something.

The concern is the drawdown of the forces and the ability to even get outside the walls is greatly diminished. Mr. Sopko, perhaps you can give perspective here as I wrap up this line of questioning.

Mr. SOPKO. It's harder to do oversight now. We have the largest oversight presence of any of the IGs or the GAO, but it's a security situation we're dealing with.

Now, we haven't just given up and walked away. We have come up with some innovative techniques, and one of them is using a number of Afghan civilian organizations and vetting them to get out and take a look at schools and clinics, and then we double-check that. And that's how we're getting out to do it. But it's extremely difficult because of the security situation.

Chairman CHAFFETZ. All right. Let's now recognize Mr. Carter of Georgia for 5 minutes.

Mr. CARTER. Thank you, Mr. Chairman.

Ms. Abizaid—I am sorry—the report that was released today by SIGAR points to many issues about contractor performance in Afghanistan. And would you agree that the poor contractor performance has hindered the Department of Defense's rebuilding efforts?

Ms. ABIZAID. In some ways, yes, it has. Again, I would just say that Mr. Sopko's report details 44 projects, which is among over 1,000 that we've actually undertaken in the country.

Mr. CARTER. Okay. Let me ask you something. On these projects, are there any provisions in your reconstruction contracts that require the contractor to complete the project before they are paid?

Ms. ABIZAID. Let me turn to my colleague —

Mr. CARTER. Sure. Sure.

Ms. ABIZAID.—in engineering.

Mr. STRICKLEY. Yes. Yes, sir. We use the exact same Federal Acquisition Regulations to do contracting in Afghanistan that we would use in the United States. So they are paid—the contractors are paid based on placement. Every month, every 2 months they send us an invoice, we confirm they've done the work, and if they have, then we pay them —

Mr. CARTER. So it is not the —

Mr. STRICKLEY.—for the work performed.

Mr. CARTER.—complete project, it is just that portion of the project that you are paying for?

Mr. STRICKLEY. Yes. Yes, sir. We pay them progress. As they make progress, we pay them, same as we would here —

Mr. CARTER. Do you ever hold back any in anticipation of, you know, you have got to complete this project, not this portion of the project but this project has got to be completed before you get the last check?

Mr. STRICKLEY. Yes, sir, absolutely. And so when a contractor falls behind schedule, the FAR, the Federal Acquisition Regulation, allows us to withhold up to 10 percent of the value of the project until they either catch up their schedule or they finish.

But, as I said earlier, many of these firms that we're contracting with in Afghanistan are very small businesses. We're trying to build an industry there. If we withhold much of a payment from them, they will simply fail as a business. They do not—they don't have the capital to carry the projects, and when they fall behind,

they won't pay their subcontractors, and then we have security problems on the jobsite if the subcontractors —

Mr. CARTER. And I am understanding of that and I am appreciative of that, but at the same time, this is interfering with the Department of Defense's rebuilding efforts. I mean, that has been acknowledged. We have got to do something. I mean, you know, we are getting reports that we are continuing to contract with firms that aren't finishing the work.

Mr. STRICKLEY. The firms in Afghanistan that we do business with have gotten better and better over the years. We've literally had hundreds of Afghan construction firms perform satisfactorily on our projects. We've completed about 1,200 projects for DOD in Afghanistan, and we've literally done business with hundreds of small Afghan firms. So we've created a credible construction capacity there, and they are performing quite well.

Security obviously is not within the control of the construction contractors, so as workers are driven off the site or if we can't get material to the site, there's little we can do about that.

Mr. CARTER. Okay. Mr. Sopko, let me ask you. Let me ask you your opinion of the oversight that the Department of Defense does on these projects. Do you think that it is adequate?

Mr. SOPKO. No. No, it is not. Part of it is because of security. It's not adequate. We have seen time and time again, and even on recent projects, somebody can't get out and check and see if the project was finished, you know, and it was completed in a proper manner.

Mr. CARTER. Yet they are continuing to pay them?

Mr. SOPKO. Of course. If no one goes out and kicks the tires, you make the payment. So, no. And again —

Mr. CARTER. Okay. You all have got me confused here. Okay. I have got somebody telling me, yes, we were doing good and we are doing better and then I got somebody else telling me, no —

Mr. STRICKLEY. Sir, we employ—right now, we have 30—I think we have 39 projects still under construction in Afghanistan. We employ about 200 Afghan engineers who are capable of visiting all of those project sites and do on a regular basis.

Mr. CARTER. Okay. I am sorry to interrupt you but I want to get back to Mr. Sopko. I have got a report that the Ministry of Defense building took 5 years, 5—1, 2, 3, 4, 5 years times the original budget to complete, yet it is still not fully complete. Is that true? Mr. Sopko, is that —

Mr. SOPKO. Well, yes, I think the construction is completed as a—when we ended it, I don't think it was fully occupied. I think it's finished but it's not fully occupied.

Mr. CARTER. Five years?

Ms. ABIZAD. It's now complete and fully occupied. Mr. Brown's organization took care of that construction.

Mr. BROWN. It was complete last summer and turned over to the CSTC-A and has been —

Mr. CARTER. But I am correct, 5 years?

Mr. BROWN. Approximately 5 years, yes. And we kind of went through —

Mr. CARTER. Is that acceptable?

Mr. BROWN. No, it is not.

Mr. CARTER. Then what can we do to make it—what can we do to improve? I mean—and out of all due respect, I don't need to hear just, oh, it is security concerns.

Mr. SOPKO. Mr. Chairman, this is—I mean, Congressman, this is in the most secure location in Afghanistan. This isn't downtown Kabul. You can see the building from our embassy. This is a thing that was done recently. Now, we have MOI. You can see that from the airport.

And so if the security situation is bad, and I recognize there are security problems, if they can't do it under time and on budget there, what do you expect if they're doing something in Kajaki where no American can get to? And that was one of the things that they're still working on, the Kajaki Dam. We have been trying to finish the Kajaki Dam since 1950. It is the longest public works projects in the history of the United States. It makes the Big Dig look like a real short dig.

Now, we are putting money and money in it. I heard somebody refer to dams the—use decided to go on budget because we couldn't do the product—project ourselves. So we gave it to the Afghans to do it. But there's no Americans checking to see if they're doing it. Last time we heard, the turbine parts had been sitting out there for years and been rusting in a bone yard. They don't fit. They don't work together. But I was assured by USAID it's going to be completed in my lifetime.

Mr. CARTER. You know, maybe what we ought to do is just get some helicopters and get money and just, you know, drop it over the country. I mean, seriously. This is totally unacceptable.

Mr. SOPKO. Kajaki Dam is now totally surrounded by the insurgents, and even when we finish Kajaki Dam, sir, most of the—I wouldn't say most, probably a good percentage of electricity is going to be diverted to the insurgents. So we are basically paying for a power plant for the insurgents.

Mr. CARTER. Mr. Sopko, thank you, but I will be quite honest with you, I could have gone all day without hearing this. This is really disappointing.

Thank you, Mr. Chairman. I appreciate your indulgence.

Chairman CHAFFETZ. Thank you. And it is about time we get USAID and the State Department back up here because so much of the waste, fraud, the abuse is found within their organizations.

Mr. CARTER. Yes. Absolutely.

Chairman CHAFFETZ. I would now recognize the gentleman from Florida, Mr. Mica.

Mr. MICA. Well, I don't mean to belabor the point, Mr. Sopko, but I have the transcript from 4/29/15, and we had you in and I was asking at that time what the amount was you had cited they couldn't absorb or—and I said steal, but here is my words there. I believe the amount was \$20 billion in Afghanistan money that was backed up. They had neither the ability or capacity to spend or steal. I think it was—was that an accurate statement? I was asking that.

Mr. Sopko, I think you are correct. It is about—actually it is more than \$20 billion right now that has been appropriated, authorized, but not yet spent. And I guess in a subcommittee hearing on April 3, 2014, I had asked you for information on a list of Af-

ghan nationals who you found were held criminally accountable for some of the theft, and you provided a response to me at that point.

You also said as of March 31, 2014, \$18 billion remained to be spent. It was either backed up and couldn't be absorbed or if you want to attribute the stolen to me, I will say that. What is the amount now, would you estimate?

Mr. SOPKO. I think that it's down to 11—approximately \$11 billion.

Mr. MICA. But they still can't absorb or, I believe, they can't absorb that money. They don't have the capacity to absorb it. So the good news is some of that has been cut off. We are not giving them more.

Then, I went into prosecutions. Did DOD or State go after money that was defrauded or criminally expended? Are there any instances? I mean, there's a lot of fraud, waste, and abuse going on, but we could go after fraud and criminal action, and that has been cited.

Mr. SOPKO. Well, DOD doesn't actually prosecute cases —

Mr. MICA. Okay. But have there —

Mr. SOPKO.—nor do we—we —

Ms. ABIZAID. Yes, sir, we have.

Mr. SOPKO.—investigate them and then turn them over to —

Mr. MICA. Can you give us cases?

Ms. ABIZAID. There are examples of us holding to account those that we have evidence of fraud, waste, and abuse.

Mr. MICA. But I want to know —

Ms. ABIZAID. I think—and that's been enabled by Mr. Sopko's

Mr. MICA.—how many criminally have been held accountable in United States courts? And then you outline some of the difficulty in prosecuting within Afghan courts. Can anyone give me a number, 10, 20, 30? I can tell you over 140 in New York on the Sandy project.

Ms. ABIZAID. I can get that for the record, sir.

Mr. MICA. Okay. I want that in the record and the response. I follow up on these things.

Mr. MICA. Okay. Then, you went on to cite in your letter to me that one of the difficulties was prosecuting in Afghan courts, right? And you actually got one person in to testify, I guess an American law enforcement person in a case there. But at that time, 2014, we didn't have an extradition treaty. The United States has extradition treaties with 110 countries. Who negotiates the extradition treaty, the Secretary of State?

Mr. SOPKO. I believe it's —

Ms. ABIZAID. The State Department.

Mr. SOPKO.—State Department.

Mr. MICA. So we never—do we have one now in place?

Mr. SOPKO. No.

Mr. MICA. We still do not have an extradition treaty so we can't go after them there.

Then, there was another handicap you cited, the Afghan First Initiative. U.S. contractors were restricted so they are giving the stuff to Afghan contractors who we really couldn't monitor or go

after criminally. Is that still in place, this Afghan First requirement?

Mr. SOPKO. I believe so. I mean —

Mr. MICA. Do you know?

Ms. ABIZAID. No, I'm not—I do not think it is still in place. The Department —

Mr. MICA. Well, that would be good to know because we have no recourse.

Any percentage of what you think has been wasteful or—you don't like me to use stolen, but —

Mr. SOPKO. Again, I —

Mr. MICA.—fraud?

Mr. SOPKO. Billions, sir —

Mr. MICA. I mean, \$10 billion —

Mr. SOPKO.—billions, just billions.

Mr. MICA. Billions and—yes.

Mr. SOPKO. Yes.

Mr. MICA. And we have not been able to go after them or, if we have, it has been, well, limited both in Afghan courts or U.S. courts.

Mr. SOPKO. Well, Mr. Mica, can I just add —

Mr. MICA. Yes.

Mr. SOPKO.—we have—SIGAR has worked very closely with the National Unity Government and the President and his people.

Mr. MICA. And you got one person to —

Mr. SOPKO. Well, since then.

Mr. MICA. Yes.

Mr. SOPKO. Since then, we actually uncovered a scheme to defraud a billion-dollar contract that was going to be issued by the Afghan Government. It was U.S. money. And we brought that to the President's attention and he did something. He fired generals, he opened an investigation on it. So this is —

Mr. MICA. And —

Mr. SOPKO.—the difference with this new government versus the old government.

Mr. MICA. Okay. Well, again, an extradition treaty would probably help, too. That sounds like there is still going to be spending money. Maybe we could request that or Secretary of State to do that.

Finally, what does it look like as total assets left behind value? Since we don't have an inventory of the projects, which is astounding, is there any guesstimate as to our—I know we are leaving billions behind, but is it—and we spent \$110—I would have another question, Mr. Chairman, if you—and then I am very concerned about in Iraq, you know, we spent a billion, gazillion dollars training these guys and then they cut and run. Has anyone done an evaluation of our programs there? And do they have the ability either as a police or defense force to hold things together?

Ms. ABIZAID. Sir, I would say that the Afghan National Security Forces are actually one of the most nationalist institutions in Afghanistan, and we've actually seen them fight very well over the last year —

Mr. MICA. Well —

Ms. ABIZAID.—obviously with some challenges.

Mr. MICA. But that is not a good answer because I am the best Representative in the 7th Congressional District. I am the only one.

[Laughter.]

Ms. ABIZAID. I understand, sir. I would say that what we have seen is a strong ANDSF —

Mr. MICA. Yes, but —

Ms. ABIZAID.—and a strong commitment to defending their country. How are they compared to Iraqi security forces is not something that I have an answer for you.

Mr. MICA. Okay. Well, again, and then the assets, the amount, maybe somebody could calculate what we are leaving behind. I know some things, it costs you more to take the asset out, but there are some infrastructure that you can't remove that we are leaving behind that they can't maintain or where they have taken control of where we are spending more money to renovate it that we don't need to spend.

Ms. ABIZAID. Sir, we are engaged in a dialogue with the Afghans about excess infrastructure that we do not think that they need and they think—we think that they should divest of.

Mr. MICA. For the record —

Ms. ABIZAID. And we will —

Mr. MICA.—staff can get that —

Ms. ABIZAID. We will give you a list of —

Mr. MICA.—in the record, yes.

Ms. ABIZAID.—that information for the record, sir.

Mr. MICA. And then maybe we will have an inventory, too.

Mr. SOPKO. Congressman —

Mr. MICA. Don't feel bad, though, because we don't have inventory of the public assets, the property that we have in our own agencies in the United States, let alone some place that is under attack.

Mr. SOPKO. Congressman, just so you know, this week my Special Projects Unit just issued a report that partially answers your question. It discussed that between January 2010 and October 2015 DOD transferred or closed 616 of 715 bases in Afghanistan, and the value the DOD put on it was \$851 million, and that consists of 11,900 —

Mr. MICA. And that is bases so —

Mr. SOPKO. Bases and excess property —

Mr. MICA. We have got lots of USAID that—tens of billions —

Mr. SOPKO. Yes.

Mr. MICA.—going in to a country that only has a \$5 billion annual budget.

Thank you, Mr. Chairman. I yield back.

Chairman CHAFFETZ. Thank you.

I now recognize the ranking member, Mr. Cummings.

Mr. CUMMINGS. Just a few questions. Speaking of training, Ms. Abizaid, some of the construction projects have been constructed as training facilities, is that right?

Ms. ABIZAID. That's correct.

Mr. CUMMINGS. And they were to house the Afghan National Police and the Afghan National Army. Are the Afghan soldiers and

police being trained in the facilities that were constructed with U.S. dollars?

Ms. ABIZAID. That's right, sir, yes.

Mr. CUMMINGS. I mean, and how is that going? Is it adequate for what they are trying to accomplish?

Ms. ABIZAID. The training —

Mr. CUMMINGS. Do you know?

Ms. ABIZAID. The training effort that's ongoing is extensive. It is one that happens in the midst of a counterinsurgency fight. But my understanding is that, yes, the training that they're—that is ongoing, some of which we advise but don't do ourselves because Afghans are now doing it for themselves is going generally well.

Mr. CUMMINGS. Now, Mr. Sopko, one of the facilities that you inspected was the Qala-i-Muslim medical clinic in Kabul Province?

Mr. SOPKO. That's correct.

Mr. CUMMINGS. Which was built with funds from the Commander's Emergency Response Program. Your report concluded that the clinic was serving the community well, is that correct?

Mr. SOPKO. Yes.

Mr. CUMMINGS. And why did you say that?

Mr. SOPKO. Well, it had met its contract requirement to build it, it was well-built, it was being used as intended. So it was a success story.

Mr. CUMMINGS. So, in fact, you found that in 2013 clinic records that showed over 1,500 outpatient consultations, 63 prenatal patients, and 63 newborn deliveries since the clinic opened in 2011, is that right?

Mr. SOPKO. I believe so, sir.

Mr. CUMMINGS. And you also found that the Ministry of Public health was sustaining the facility and inspectors noted clean floors, well-kept bedding, working heating and electrical systems and a well-stocked pharmacy. Would you call this a success story?

Mr. SOPKO. Yes, it is a success.

Mr. CUMMINGS. And that is one of the exceptions, I take it?

Mr. SOPKO. Yes.

Mr. CUMMINGS. Just listening to today.

Mr. SOPKO. Yes.

Ms. ABIZAID. Sir, I would disagree a little bit with it being one of the exceptions, that a success is an exception to the rule. It might be an exception in the world of Mr. Sopko's 44 projects that he reviewed, but we've undertaken thousands and we do have other successes. And we're happy to answer Mr. Sopko's questions about those.

Mr. CUMMINGS. Are there are a number of medical facilities?

Ms. ABIZAID. We have constructed some clinics and some medical facilities over the years, usually through CERP funds, but that is more now the business of USAID and the State Department.

Mr. CUMMINGS. Well, going back to this particular clinic, I think I would conclude that it's a success story. According to USAID, the percentage of women in Afghanistan receiving prenatal care has increased from 16 percent in 2002 to 60 percent in 2010, and this has coincided with an infant mortality rate that has decreased by 53 percent. That is significant.

Ms. ABIZOID. That's right, sir. Life expectancy and generally quality of life in Afghanistan has improved quite a bit over the last 14 years.

Mr. CUMMINGS. And you would attribute that to our efforts?

Ms. ABIZOID. To U.S. Government and coalition efforts, yes, I would.

Mr. CUMMINGS. And why do you say that?

Ms. ABIZOID. The amount of enabling capacity we've built for the Afghans, the amount of skills that we have developed within the Afghan workforce has been significant in terms of increasing literacy rates, increasing the amount of women that are in the workforce, increasing the amount of girls that go to school, education is much better, Afghan security forces exist in a way that they didn't previously so they can provide for the security of the Afghan people. So in large part, Afghanistan is a much better country than it was when under Taliban rule and when we got there originally.

Mr. CUMMINGS. So do you know what the life expectancy was? Do you have any comparison numbers?

Ms. ABIZOID. I—comparison numbers exist. I don't have them with me, sir.

Mr. CUMMINGS. Thank you very much.

Chairman CHAFFETZ. Just a couple of questions here as we wrap up.

Ms. Abizoid, if the SIGAR is asking for the top 10 projects, is that something you can get for him?

Ms. ABIZOID. Yes, it is.

Chairman CHAFFETZ. When? By when? When is a good reasonable time to get him that?

Ms. ABIZOID. We will get it to him in a matter of a month.

Chairman CHAFFETZ. All right. Fair enough.

You mentioned biometric IDs. Explain to me how you are doing biometric IDs.

Ms. ABIZOID. So we have instituted a biometric ID card system for the Ministry of Defense and the Afghan National Army. It'll likely be extended to the Afghan National Police. But this is an ID card much like DOD civilians, DOD military have that have critical biodata about individual soldiers and is what is going to be a key piece of requiring that we pay who has the ID and, you know, increases the accountability of our paying personnel system.

Chairman CHAFFETZ. You can go ahead and leave that microphone on because I am going to keep asking you a few more questions. When you say biometric information, what would that include?

Ms. ABIZOID. So it includes a number of things. I mean, I think date of birth, you know, ethnicity. I think that there is a particular—like Social Security number that is associated with each—the details of the biometric ID card I can certainly get to you —

Chairman CHAFFETZ. Will it include a picture?

Ms. ABIZOID. It does include a picture, sir.

Chairman CHAFFETZ. Do you take fingerprints? I mean —

Ms. ABIZOID. I'm not —

Chairman CHAFFETZ.—our own government here, I mean, the FAA can't seem to do this so I am just fascinated that you think

you can actually execute this. It is not like they can go to a local Kinko's and get a picture taken and then go get a real ID.

Ms. ABIZAIID. Sir, I think they will be issued as part of the in-processing and the recruitment and training aspect of when—of the intake —

Chairman CHAFFETZ. But don't most people get paid through a hawala system? I mean they are not going to a Wells Fargo bank or Bank of America to go cash their checks.

Ms. ABIZAIID. That's a system that we're changing, sir. I mean, there was a culture of trusted agents in far provinces where banks were not available, where Afghan soldiers would have to rely on them and often get skimmed in terms of their monthly pay —

Chairman CHAFFETZ. Where —

Ms. ABIZAIID.—but we've actually moved to a mobile money system, which has had significant success and it's—it connects soldiers to actual bank accounts, and they can see on their phone what their balance is and how much they have—they are due for —

Chairman CHAFFETZ. Okay. We are fascinated with the—and, Mr. Sopko, I hope you can help follow up on this because I think that is laudable but I think it is—I can't imagine that you can actually pull that off. I think that is probably the standard we should get to, but we have a hard time executing that here in the United States with an awful lot of infrastructure. In a place like Afghanistan I have a hard time believing that they can actually execute on that. But more luck to you but I don't know how much it is going to cost. I mean, we are dealing right now with the homeland security that has a very difficult time with this at best. And, Mr. Sopko, if you can follow up on that, that would be great.

Mr. SOPKO. We will. We've monitored it. And actually, in support of the assistant secretary, it is an improvement. We're at least having unique identity cards —

Chairman CHAFFETZ. Great.

Mr. SOPKO.—but, you know, this is 15 years into this we're finally getting that. And we're asking for people, when they leave, to give their identity cards back, and we hadn't been doing that. We've issued a number of reports on it, but we are glad to see CSTC-A is moving out on that.

Chairman CHAFFETZ. Great.

Mr. SOPKO. It's an improvement.

Chairman CHAFFETZ. Very good. Mr. Sopko, we have talked about this in the past, but the \$100 billion plus, how much do you actually think got to Afghanistan? How much has been siphoned off? How much can we actually point to and verify?

Mr. SOPKO. Mr. Chairman, as before, I'm in an awkward spot. I can't give you an answer. All I know is billions have been wasted or stolen. But I can't tell you the exact number. We don't even have a number of all the projects and then know where they're located, so it's very difficult for us to do that. No one can.

Chairman CHAFFETZ. How much—and tell me about—you have cited, Ms. Abizaid, about the fixed wing. Explain that project and why you think it is a success. And how much did we spend on it?

Ms. ABIZAIID. So we are in the process of delivering fixed wing platforms for close air support for the Afghans to have as an organic capability. They are—they have four A-29s, Super Tucanos

they're called, and we will eventually build to 20. This has been a critical piece in enabling the Afghans to independently fight the counterinsurgency fight and one where the burden on U.S.—the U.S. assets has been—will be significantly decreased as they increase their capacity for their own close air support missions and aerial fires missions.

Chairman CHAFFETZ. All right. So I want to try to tackle this one again. How many people do we have working for the United States in Afghanistan?

Ms. ABIZAIID. So, sir, my crack staff did get the answers for you. So we will confirm these for the record, but what we could find out in the time allotted, we have 9,800 troops in Afghanistan, 11,542 U.S. contractors. There are more third-country nationals and Afghan contractors that the United States is spending money on.

Chairman CHAFFETZ. And that's just for the Department of Defense?

Ms. ABIZAIID. This is for the Department of Defense, sir. I don't have —

Chairman CHAFFETZ. Right.

Ms. ABIZAIID.—other numbers. And then in terms of civilian manning, we're talking about 290 now but I think that the requirement for civilian manning will likely increase as our military footprint decreases.

Chairman CHAFFETZ. And, Mr. Sopko, when you cite nearly 40,000 contractors, is that in addition to her 11,000 or does that include—when you say 40,000, it includes the Department of Defense?

Mr. SOPKO. That would include. That would include.

Chairman CHAFFETZ. So we have just less than 10,000 troops. In addition to that, we have roughly 40,000 contractors, correct, for —

Mr. SOPKO. That's our best estimate.

Chairman CHAFFETZ.—a grand total of just less than 50,000 people, correct?

Ms. ABIZAIID. In terms of U.S. citizens or contractors that work for the United States?

Mr. SOPKO. Yes —

Ms. ABIZAIID. It's a different number, sir.

Chairman CHAFFETZ. Yes. We are paying close to 50,000 people to be there, correct? Between contractors and troops, some of them are Americans, some of them are not Americans, it is roughly 50,000 people —

Ms. ABIZAIID. I think that's a good rough —

Chairman CHAFFETZ.—to keep our mission moving?

Ms. ABIZAIID.—estimate, sir.

Chairman CHAFFETZ. Okay. All right. Listen, thank you so much. There are a lot of good people in very difficult, dangerous situations. They are away from their family. I have been there several times. I need to go back again. But it is a difficult mission, but it is also a vital mission, and I cannot thank the men and women enough who are putting their lives on the line to do this.

So we thank the four of you for your dedication and your patriotism and your commitment to the country. This is a valuable exercise. A lot of work goes into these reports and the analysis, and I

don't want to do think that it just goes up on some shelf. It is very, very helpful as we try to figure out from our component or our vantage point, you know, what it is we should do or where we should go next.

So thank you again very much for that, and the committee stands adjourned.

[Whereupon, at 11:16 a.m., the committee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

Statement of Chairman Jason Chaffetz
“Rebuilding Afghanistan: Oversight of Defense Department
Infrastructure Projects”
March 16, 2016

The sacrifices made by our troops in Afghanistan have played a pivotal role in protecting the American people and homeland.

Under the protection of the Taliban, Al Qaeda used Afghanistan as a base to carry out the most deadly terrorist attack in American history on September 11, 2001.

Our service men and women quickly answered the call to respond and by December 22, a new interim government took over in Afghanistan.

The work that began in the fall of 2001 continues to this day.

And, our troops, and their Afghan allies, continue to pay the ultimate price for freedom.

A February 26, 2016 article in the Wall Street Journal reported that some 200 Afghan police were killed in January of this year alone.

In conjunction with our Afghan allies and coalition partners, the United States military is fighting to defeat the Taliban and other extremist groups.

At the same time, the Department of Defense and our foreign partners are taking steps to rebuild Afghanistan, which was shattered by decades of war and misrule.

As of December 31, 2015, the United States appropriated about \$113.09 billion for relief and reconstruction in Afghanistan since FY 2002, about \$72 billion through DOD.

A little more than \$11 billion remains to be obligated or disbursed.

These reconstruction projects have taken many forms.

The Department of Defense has contracted to build army garrisons, training centers, and police headquarters in order to put the Afghan National Police and Army in a position to provide security to their citizens.

The Department of Defense has also undertaken infrastructure projects to provide electricity, education, healthcare, and other support to communities throughout the country.

These projects will help the Afghan people grow a peaceful and prosperous society.

Security and a strong infrastructure are critical to the success of any country.

Given an ongoing insurgency that seeks to drag the Afghan people back, these fundamentals are especially critical to the success of Afghanistan and to our interests there.

It in no way denigrates the efforts of our troops, or the effort of DOD, however, to say we could do a better job in our rebuilding efforts.

Today, the Special Inspector General for Afghanistan Reconstruction, or SIGAR, has issued its findings of its review of 44 separate reconstruction projects.

The projects are valued at about \$1.1 billion, and span six years.

The job of SIGAR has become more difficult as our military presence has drawn down, and as more of Afghanistan becomes inaccessible to SIGAR and to others conducting oversight of our reconstruction efforts.

Despite these limitations, SIGAR's findings raise significant concerns.

But first, some good news.

Of the 44 DOD reconstruction projects SIGAR inspected from July 2009 through September 2015, the IG found 16 "met contract requirements and technical specifications."

The remaining 28 projects show there is still more we can do.

Those projects included work SIGAR found did not meet contract requirements or technical specifications.

In some cases, SIGAR found these deficiencies even had health and safety implications.

In fact, SIGAR found 16 of those 28 projects included deficiencies so severe "that they threatened the structural integrity of the buildings and the safety of the buildings' occupants."

This is unacceptable.

The American people understand money must be spent to ensure the successes our soldiers have won are not lost.

We expect, however, that the efforts we expend in Afghanistan will make the people there better off, not worse.

SIGAR identified factors that have hindered DOD's rebuilding efforts in Afghanistan, many of which were completely avoidable.

“[P]oor contractor performance and inadequate government oversight,” the Inspector General found, “were the primary contributors to noncompliance with contract requirements.”

A lack of sufficient planning appears to have impeded the cost effectiveness of the Department’s efforts, as well.

Facilities for nine of the 44 projects SIGAR inspected were completed, but at the time of inspection, *had never been used*.

For example, SIGAR found the Gereshk Cold and Dry Storage Facility, built at a cost of \$2.89 million, was complete and well-constructed, but the Inspector General concluded it “had never been used and was not being maintained,”

This is 11 months after it was completed and seven months after it was transferred to the Afghan government.

The staff at the Salang Hospital in Parwan Province, SIGAR found, “were only using about 35 percent of the square footage of the constructed facility,” and “the hospital employed less than 20 percent of the staff it was expected to employ.”

In one example cited by SIGAR, hospital staff were washing newborns with untreated river water” because there was no clean water available.

This example leads to a final point.

In order for our reconstruction efforts in Afghanistan to bear fruit, and in order for the taxpayers of the United States to get any benefit of these expenditures, the facilities we build must be sustainable.

We must build infrastructure projects the Afghan people are able to use and maintain.

If not, our money is wasted, and our reconstruction efforts are for naught.

Today, we hope to get answers so we can figure out the formula to getting it right.

One side note: this Committee has done, and will continue to do the work that is necessary to fulfill our role in this mission.

In December, Mr. Cummings and I sent our staff to review building projects in Kabul.

Five days after they left, six U.S. troops were killed by a suicide bomber near Bagram Airfield.

This really brought the dangers all of our personnel face in Afghanistan home to me, and I am sure to the Ranking Member.

I look forward to hearing the testimony of the witnesses and yield to my Ranking Member, Mr. Cummings.

**Opening Statement
Ranking Member Elijah E. Cummings**

**Hearing on “Rebuilding Afghanistan:
Oversight of Defense Department Infrastructure Projects”**

March 16, 2016

Mr. Chairman, thank you for holding today’s hearing on Department of Defense reconstruction projects in Afghanistan.

Also, thank you, Mr. Sopko, for testifying today and for the critical work that your office does combating waste and corruption in an extremely challenging security environment.

Since 2002, the United States has spent well over \$100 billion in Afghanistan trying to create an effective Afghan national security force and promote a stable government.

That is a lot of taxpayer dollars at stake from hard-working Americans.

In 2007, Democrats in Congress pressed for the creation of the Special Inspector General for Afghanistan Reconstruction, recognizing that aggressive oversight was needed after multiple incidents of waste, fraud, and abuse dating back to the early 2000s.

In 2010, Democrats on this Committee's National Security Subcommittee issued a staff report on the Host Nation Trucking program supplying convoys throughout Afghanistan.

This investigation found that truckers used their DOD contract money to pay into a massive protection racket of local warlords and corrupt Afghan officials.

The report concluded that **and I quote** "protection payments for safe passage are a significant potential source of funding for the Taliban" and risked "undermining the U.S. strategy for achieving its goals in Afghanistan."

In other words, the United States was indirectly funding the very insurgents we were fighting against.

It is clear that rigorous oversight is essential.

Afghan companies are ill-equipped to execute large infrastructure projects worth tens or hundreds of millions of dollars.

Instead, large outside contractors often win such contracts, but then subcontract locally with little scrutiny.

For years, the Special Inspector General for Afghanistan Reconstruction's field inspections and recommendations have proven invaluable in improving how DOD plans and manages large infrastructure projects.

I have no doubt that millions, if not billions, of U.S. taxpayer dollars have been saved as a result of the Special Inspector General for Afghanistan Reconstruction's work.

However, adequate oversight also requires robust security.

Last December, a suicide bomber killed six American troops outside Bagram Air Field.

Just last month, at least twelve people were killed by a Taliban attack in front of the new Afghan Ministry of Defense Headquarters.

Our number one priority has to be ensuring the safety of U.S. service members so they can carry out their vital counterterrorism and advisory missions.

According to the report issued by Special Inspector General for Afghanistan Reconstruction, the area of

Afghanistan where adequate oversight is possible has dropped to 21% in 2014.

In the most dangerous areas, they may not be able to visit project sites to conduct their oversight work.

One key element to enhancing Afghan security capability overall is constructing facilities that the Afghan national security forces can use.

We want them to continue taking over lead responsibilities from U.S. military personnel.

In this respect, the new Ministry of Defense Headquarters is now providing work space for 2,000 Afghan National Army personnel along with much-needed communications and security equipment.

Of course, we know the Pentagon plans to continue reducing the number of troops in Afghanistan towards the end of this year.

Regardless of the exact troop number, it is critical that we ensure that SIGAR's critical oversight activities can continue.

Thank you, Mr. Chairman.

March 16, 2016

9 a.m. – Rayburn 2154

Congressman Gerald E. Connolly (VA-11)

Committee on Oversight and Government Reform:

“Rebuilding Afghanistan: Oversight of Defense Department Infrastructure Projects”

Mr. Chairman, I appreciate this opportunity to examine continued concerns with U.S. relief and reconstruction projects in Afghanistan. I and several members of the Oversight and Government Reform Committee also serve on the Foreign Affairs Committee, where we’ve spent considerable time working with the Special Inspector General for Afghanistan Reconstruction (or SIGAR). While it appears that the respective departments have implemented many of the Special IG’s recommendations, there continue to be serious issues related to contract management and transparency, which warrant further review by our Committee.

Let me start by thanking all the witnesses for their service to our country and America’s ongoing development mission in Afghanistan. In 2015, the Afghan government took over full responsibility for its security, and the U.S./Coalition mission switched from combat to training and support. This marked the start of what is to be Afghanistan’s “Transformation Decade,” during which it aims to achieve self-sufficiency in fiscal and security matters. Although the State Department, USAID, and Defense Department each have experienced some successes in their individual reconstruction efforts, multiple challenges persist that could undermine the success of the overall U.S. strategy.

Today, the Committee will learn more about the reports of high risk to reconstruction efforts identified by SIGAR John Sopko, and discuss his recommendations for increasing transparency and enhancing project management. The SIGAR’s mission is to ensure that all U.S. funds are spent as effectively and efficiently as possible and protected from waste, fraud, and abuse. In a recent quarterly report to Congress, the SIGAR identified seven areas of vulnerability that need to be more thoroughly examined: corruption, sustainability, Afghan National Security and Defense Forces (ANDSF) Capacity and capabilities, on-budget support, counter-narcotics, contract management, and strategy. I’d like to focus on corruption, the capabilities of the security forces, and contract management. Addressing these vulnerabilities is critical to providing stability within Afghanistan, an effort only as strong as its weakest link.

It is extremely troubling that since 2002 the U.S. government has funded more than \$50 billion in non-DOD-administered relief assistance, including a comprehensive anticorruption strategy,

yet it has not come close to providing sufficient oversight of those dollars. So it should be no surprise that the SIGAR and Afghan President Ghani both acknowledge, sadly, that corruption remains a massive and systemic problem in Afghanistan.

As of December 2015, Congress had appropriated more than \$68 billion to build, equip, and train the Afghan National Defense and Security Forces. Despite security remaining an integral part of maintaining Afghanistan's sovereignty in the future, it remains unclear as to what real progress has been made in the recruitment and development of a sustainable Afghan security force.

As someone who is an advocate for federal contractors and providing robust oversight of that work, I am deeply concerned with the lack of sufficient contract management by the respective agencies in Afghanistan. For example, in January 2015 a full inspection of the Gorimar Industrial Park, near Mazar-i-Sharif, Afghanistan, was unable to be completed because the awarding agency, USAID, had no records of project design, planning, construction, quality-assurance, and related documents. That, of course, is a violation of the Federal Acquisition Regulations, and, making matters worse, Afghan businesses cannot even use the complex because it is structurally unsound, representing a waste of \$7.7 million.

U.S. soldiers are risking their lives and incredible amounts of U.S. dollars are being put to work within Afghanistan. We must have a more clear understanding of how those resources are being put to use. The work of the SIGAR has been invaluable. It was thanks to his work that the Foreign Affairs Committee began to more closely examine the Commanders Emergency Relief Program, which was intended to support rebuilding efforts in Iraq and Afghanistan. That program was initiated in 2003 with \$136 million in seized Iraqi funds from the Saddam Hussein regime, yet expenditures ballooned to nearly \$4 billion as it became something of a taxpayer-financed slush fund with little to no accountability to tangible development outcomes.

Mr. Chairman, in a June 2014 hearing before the Foreign Affairs Subcommittee on the Middle East and North Africa, the SIGAR and the GAO said they could not provide basic metrics for the percentage of funds that were well-spent or wasted in Afghanistan, because the raw numbers simply did not exist. We're talking more than \$100 billion in relief and reconstruction efforts. Few development initiatives are a better argument for the bipartisan Foreign Assistance Transparency and Accountability Act (H.R. 3766), a bill I have introduced with my colleague, Judge Poe, to require our foreign assistance agencies to implement strict monitoring and evaluation regimes.

The SIGAR's latest report shows only 16 of 44 projects met their contract requirements due to mismanagement and contractor performance. Further, it shows less than half of the projects are being fully or partially used. In fact, nine completed projects have never been used. This represents a systemic failure and highlights the tremendous risk of not providing effective oversight and demanding accountability. Our efforts will only grow increasingly more difficult as we rely more and more on indirect oversight in the nearly 80 percent of the country to which U.S. personnel does not have safe and direct access. I hope today's witnesses can provide some guidance on a path forward to restore some credibility to and confidence in the U.S. relief and reconstruction efforts.

The word "SIGAR" is displayed in a large, bold, black, sans-serif font. It is centered within a light gray rectangular box that has a subtle, fine-grained texture.

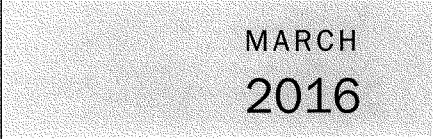
**Special Inspector General for
Afghanistan Reconstruction**

SIGAR 16-22 Inspection Report

Department of Defense Reconstruction Projects:
Summary of SIGAR Inspection Reports Issued
from July 2009 through September 2015



SIGAR 16-22-IP/Inspections of DOD Reconstruction Projects

A light gray rectangular box with a fine-grained texture, containing the date "MARCH 2016" in a bold, black, sans-serif font.

**MARCH
2016**

SIGAR

Special Inspector General for Afghanistan Reconstruction

WHAT SIGAR REVIEWED

Through September 30, 2015, Congress appropriated about \$109.6 billion for U.S. reconstruction activities in Afghanistan. The majority of funding, about \$69 billion or 62 percent, has been allocated to the Department of Defense (DOD), and DOD reported that about \$55.8 billion of those funds have been disbursed. DOD's reconstruction projects have been funded primarily through the Afghanistan Security Forces Fund and the Commander's Emergency Response Program.

Within Afghanistan, U.S. Forces-Afghanistan (USFOR-A) has responsibility for military operations, including DOD's reconstruction program. The Combined Security Transition Command-Afghanistan (CSTC-A), under USFOR-A's command, has responsibility for funding the country-wide building program to support the Afghan National Defense and Security Forces (ANDSF). The U.S. Army Corps of Engineers (USACE), the Air Force Civil Engineer Center (formerly the Air Force Center for Engineering and the Environment), and USFOR-A components were responsible for administering and overseeing most of DOD's reconstruction projects.

From July 2009 through September 2015, SIGAR issued 36 inspection reports examining DOD reconstruction projects. To develop this report, SIGAR reviewed each of the 36 reports, which involved 44 separate reconstruction projects with a combined contract value of about \$1.1 billion. These projects were located in 15 of Afghanistan's 34 provinces.

The objectives of this report were to analyze and identify common themes in

March 2016

Department of Defense Reconstruction Projects: Summary of SIGAR
Inspection Reports Issued from July 2009 through September 2015

SIGAR 16-22 INSPECTION REPORT

WHAT SIGAR FOUND

SIGAR found that 16 of the 44 DOD reconstruction projects it inspected from July 2009 through September 2015 met contract requirements and technical specifications. These projects show that when contractors adhere to requirements and there is adequate oversight, project goals can be achieved. The 28 remaining projects included work that did not meet contract requirements or technical specifications. Deficiencies ranged from substituting building materials without approval to not completing work required under the contract. In some cases, these actions had health and safety implications. For example, 16 of the 28 projects that did not meet contract requirements included deficiencies so severe that they threatened the structural integrity of the buildings and the safety of the buildings' occupants. Bathkhak School in Kabul province had such serious design and construction flaws that SIGAR sent a safety alert letter to the Commander of USFOR-A, urging a delay in transferring the school to the Afghan government until these construction deficiencies could be addressed. SIGAR found that poor contractor performance and inadequate government oversight were the primary contributors to noncompliance with contract requirements.

The construction deficiencies SIGAR identified during its inspections involved such issues as collapsible soil due to poor compaction; improperly installed heating and cooling systems; inoperable water systems; inadequate testing of mechanical systems; electrical wiring that was not up to code; use of substandard building materials; poorly mixed, cured, and reinforced concrete; and improperly installed roofs. SIGAR also found that remedying construction deficiencies sometimes resulted in additional expenditures beyond the initial cost of the contracts.

For example, SIGAR reported that 4 months after completion in October 2012, buildings at the Afghan Special Police Training Center's dry fire range began to disintegrate. The disintegration of this nearly \$500,000 project was caused by Qesmatullah Nasrat Construction Company, an Afghan company, failing to adhere to contract requirements and international building standards, and using substandard materials. SIGAR also found that project was plagued by poor U.S. government oversight and the failure to hold the contractor accountable for correcting deficiencies before the warranty expired. Since the range's safety and sustainability were compromised, the Afghan government had to demolish and rebuild the dry fire range using its own funds.

Of the 44 DOD reconstruction projects inspected, SIGAR found that 21 were complete and 23 were incomplete at the time of our inspections. Of the 21 projects that were complete, 14 were being used and 7, or one-third of the completed projects, had never been used. SIGAR found that usage of the 14 projects varied with some project being fully used and others only partially used. For example, SIGAR reported that the Qala-i-Muslim medical clinic in Kabul province appeared to be a success story. However, SIGAR also found cases like Salang hospital in Parwan province where the staff were using only about 35

the findings from those 36 inspection reports. Specifically, SIGAR assessed the extent to which (1) contractors met contract requirements and technical specifications when constructing or renovating facilities; (2) the facilities inspected were being used; and (3) DOD has implemented recommendations made in the inspection reports. Because SIGAR's inspection reports contained numerous recommendations to improve the efficiency and effectiveness of DOD's reconstruction activities in Afghanistan, this report contains no new recommendations.

USFOR-A and USACE provided written comments on a draft of this report. USFOR-A stated that this report's value lies in consolidating lessons that may benefit organizations charged with construction efforts in similar environments. USACE stated that it appreciated SIGAR's remarks that it promptly responded to 90 percent of the deficiencies noted in the 27 USACE reconstruction projects addressed in this report, and concurred that the life and safety issues SIGAR discovered during its inspections were troublesome. However, both USFOR-A and USACE commented that the projects SIGAR inspected were not representative of all reconstruction projects completed in Afghanistan, or of current projects.

large percentage of recommendations closed shows that in response to SIGAR's inspection reports, DOD generally took action to improve efficiency and effectiveness in its reconstruction activities, and to correct construction deficiencies. For example, USACE took immediate action at the Afghan National Army garrison in Gamberi to (1) remedy possible flooding by having drainage areas examined and repaired and having the contractor conduct frequent surveys for future deteriorating conditions, (2) repair a bridge near the garrison's main entrance that SIGAR believed could collapse under heavy traffic because its deck service had been compromised, and (3) design and plan for installing a perimeter fence that we said was needed to secure the garrison's weapons training range.

SIGAR's inspections have covered a wide range of DOD reconstruction projects in Afghanistan, from bases for the ANDSF to schools and hospitals. While some of those projects were well built and met contract requirements and technical specifications, most of the projects SIGAR inspected did not meet those requirements and had serious construction deficiencies. In many cases, poorly prepared or unqualified contractor personnel, inferior materials, poor workmanship, and inadequate oversight by both the contractor and the U.S. government contributed to these substandard results. Unless future projects address the deficiencies SIGAR has identified by, for example, improving project planning and design, and oversight during the construction process, substandard projects will continue to be built, resulting in a waste of U.S. taxpayer funds.

percent of the hospital's square footage, and the hospital employed less than 20 percent of the expected staff.

Of the 23 incomplete projects, 6 projects were still under construction within their originally scheduled completion dates and, therefore, would not have been ready for use at the time SIGAR inspected them; 5 were incomplete due to project termination or for reasons SIGAR could not determine at the time of the inspections; and 12 were experiencing construction delays that had extended their completion past the original schedule. With respect to the 12 projects that were not completed on time due to construction delays, those delays ranged from 5 months to over 2 years and 7 months beyond their originally scheduled completion dates. Despite being incomplete, SIGAR noted that 7 of the 23 projects were being used to some extent at the time of our inspections.

DOD has taken steps to improve its processes to ensure control and accountability for its reconstruction projects, including hiring more engineers and changing its guidance to improve planning and oversight. For example, as soon as we informed USACE of the lack of water at the Afghan Border Police Base Lal Por 2 in Nangarhar province, USACE assembled a project development team to find a solution to the water supply. Further, USACE noted that in June 2011, it began mandating hydrogeologist reviews to assess the water supply as part of its site assessments. Despite DOD's efforts to improve processes, serious problems continued with its reconstruction projects. Construction of the three most troubled projects we inspected—the Afghan Special Police's Dry Fire Range, Bathkhak School, and the Afghan National Army Slaughterhouse—began in 2012 or long after we started reporting on systemic oversight weaknesses with DOD reconstruction projects. For example, we identified unapproved product substitution as a problem with both the dry fire range and the school, an issue we had raised in prior reports.

SIGAR determined that as of September 30, 2015, DOD had implemented the majority of recommendations made in its 36 inspection reports. In these reports, SIGAR made 95 recommendations to DOD, and of the 90 recommendations closed, DOD implemented 76, or 84 percent, of them. The


SIGAR

 Office of the Special Inspector General
for Afghanistan Reconstruction

March 11, 2016

 The Honorable Ashton B. Carter
Secretary of Defense

 General Lloyd J. Austin III
Commander, U.S. Central Command

 General John W. Nicholson
Commander, U.S. Forces-Afghanistan and
Commander, Resolute Support

 Lieutenant General Thomas P. Bostick
Commanding General and Chief of Engineers,
U.S. Army Corps of Engineers

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Commander, Combined Security Transition Command-Afghanistan

 Mr. Randy E. Brown
Director of Staff
U.S. Air Force Civil Engineer Center

This report analyzes and identifies common themes in the findings of the 36 inspection reports that SIGAR issued from July 2009 through September 2015 involving Department of Defense (DOD) reconstruction projects in Afghanistan. These 36 reports involved 44 projects that have a combined contract value of about \$1.1 billion. SIGAR's inspections generally assess the extent to which facilities and infrastructure built or renovated using reconstruction funds were constructed in accordance with contract requirements and applicable technical specifications, and are being used and maintained as intended. Depending on the outcomes, we may make recommendations to improve the efficiency and effectiveness of reconstruction efforts.

For this report, we assessed the extent to which (1) contractors met contract requirements and technical specifications when constructing or renovating facilities; (2) the facilities were being used; and (3) DOD has implemented recommendations that we made in our prior inspection reports. We determined that 16 of the 44 DOD reconstruction projects we inspected from July 2009 through September 2015 met contract requirements, while the 28 remaining projects included work that did not meet contract requirements or technical specifications. Deficiencies ranged from substituting building materials without approval to not completing work required under the contract.

In addition, of the 44 projects we inspected, 21 were complete and 23 were incomplete at the time of our inspections. Of the 21 projects that were complete, 14 were being used and 7, or one-third of the completed projects, had never been used. Of the 23 incomplete projects, 6 projects were still under construction within their originally scheduled completion dates and, therefore, would not have been ready for use at the time we inspected them; 5 were incomplete due to project termination or for reasons we could not determine at the time of our inspections; and 12 were experiencing construction delays that had extended their completion past


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the original schedule. Despite being incomplete, we noted that 7 of the 23 projects were being used to some extent at the time of our inspections. Finally, we found that of the 95 recommendations we made to DOD in the 36 inspection reports analyzed in this report, DOD had implemented 76 of them as of September 2015.

Our inspections have covered a wide range of DOD reconstruction projects in Afghanistan, from bases for the Afghan National Defense and Security Forces to schools and hospitals. While some of those projects were well built and met contract requirements and technical specifications, most of the projects SIGAR inspected did not meet those requirements and had serious construction deficiencies. In many cases, poorly prepared or unqualified contractor personnel, inferior materials, poor workmanship, and inadequate oversight by both the contractor and the U.S. government contributed to these substandard results. Unless future projects address the deficiencies SIGAR has identified by, for example, improving project planning and design, and oversight during the construction process, substandard projects will continue to be built, resulting in a waste of U.S. taxpayer funds.

Because our inspection reports contained numerous recommendations to improve the efficiency and effectiveness of DOD's reconstruction activities in Afghanistan, this report does not contain any new recommendations.

We received written comments on a draft of this report from U.S. Forces-Afghanistan (USFOR-A) and the U.S. Army Corps of Engineers (USACE), which are reproduced in appendices IV and V, respectively. USFOR-A stated that this report's value lies in consolidating lessons that may benefit organizations charged with construction efforts in similar environments. USACE stated that it appreciated SIGAR's remarks that it promptly responded to 90 percent of the deficiencies noted in the 27 USACE reconstruction projects addressed in this report, and concurred that the life and safety issues SIGAR discovered during its inspections were troublesome. However, both USFOR-A and USACE commented that the projects SIGAR inspected were not representative of all reconstruction projects completed in Afghanistan, or of current projects. USACE also provided some technical comments, which we incorporated into this report, as appropriate.

SIGAR conducted this work under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended.

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

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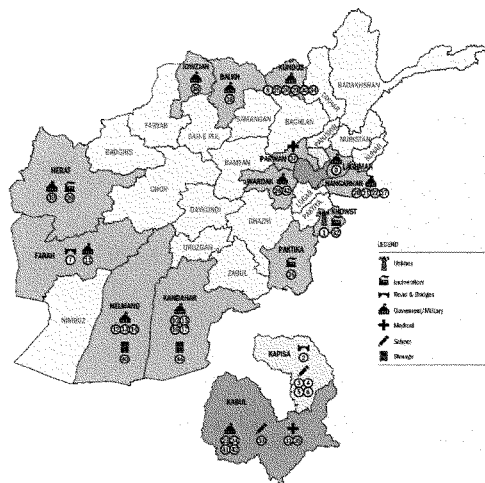
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ABBREVIATIONS

AFCEE	Air Force Center for Engineering and the Environment
ANA	Afghan National Army
ANDSF	Afghan National Defense and Security Forces
ANP	Afghan National Police
CERP	Commander's Emergency Response Program
CSTC-A	Combined Security Transition Command-Afghanistan
DOD	Department of Defense
TFBSO	Task Force for Business and Stability Operations
USACE	U.S. Army Corps of Engineers
USFOR-A	U.S. Forces-Afghanistan

Figure 1 - DOD Inspection Sites



Source: SIGAR analysis

Note: This map is not intended to show the exact location of the sites. It solely indicates the provinces in which the sites are located.

¹ From October 1, 2015, through December 31, 2015, Congress appropriated an additional \$3.5 billion for Afghanistan relief and reconstruction, for a total of about \$113.1 billion.

² We will be summarizing our inspection reports on the Department of State's and the U.S. Agency for International Development's reconstruction efforts in a subsequent report.

³ Several of our inspection reports cover the inspection of more than one project. For example, our October 2010 report on ANP facilities in Helmand and Kandahar provinces covers the inspection results of six separate projects (see SIGAR Audit 11-03, *ANP District Headquarters Facilities in Helmand and Kandahar Provinces Have Significant Construction Deficiencies Due to Lack of Oversight and Poor Contractor Performance*, October 27, 2010).

The objectives of this report were to assess the extent to which (1) contractors met contract requirements and technical specifications when constructing or renovating facilities; (2) the facilities inspected were being used; and (3) DOD has implemented recommendations that we made in the inspection reports. We conducted our work in Arlington, Virginia, from July 2015 through March 2016 in accordance with *Quality Standards for Inspection and Evaluation*, published by the Council of the Inspectors General on Integrity and Efficiency. Appendix I contains a detailed discussion of our scope and methodology for this summary report. Appendix II lists the 36 inspection reports summarized in this report. Appendix III lists the inspection reports and information about whether the facilities were built as required and were being used.

BACKGROUND

Since 2001, two of DOD's reconstruction objectives in Afghanistan have been to (1) train, equip, base, and sustain the Afghan National Defense and Security Forces (ANDSF), comprised of the ANA and ANP, and (2) respond to urgent humanitarian relief and small-scale reconstruction projects to support local Afghan communities.⁴ The majority of all U.S. reconstruction funding—about \$69 billion, or more than 62 percent, of the \$109.6 billion appropriated as of September 2015—has been allocated to DOD to accomplish these missions. DOD's reconstruction projects primarily have been funded through the Afghanistan Security Forces Fund (\$60.7 billion) and the Commander's Emergency Response Program (CERP) (\$3.7 billion).⁵

Congress created the Afghanistan Security Forces Fund to provide the ANDSF with equipment, supplies, services, training, and funding, as well as facility and infrastructure repair, renovation, and construction. Through September 30, 2015, DOD reported to SIGAR that about \$55.8 billion of the funds had been disbursed.⁶ In addition, DOD reported that the largest portion of funds disbursed from the Afghanistan Security Forces Fund, or about \$22.7 billion, went to sustain the ANDSF. DOD also reported that through this same time period, it disbursed approximately \$5.6 billion from the Afghanistan Security Forces Fund to support infrastructure projects for the ANDSF. These projects included, among other things, military headquarters, barracks, schools and other training facilities, police checkpoint structures, airfields, and roads.

CERP was established in 2003 under the Coalition Provisional Authority in Iraq to enable military commanders to respond to urgent humanitarian relief requirements in Iraq and Afghanistan.⁷ Congress has appropriated approximately \$3.7 billion for CERP in Afghanistan, and, as of September 30, 2015, DOD reported that about \$2.3 billion of those funds had been expended. CERP funds generally are intended for use on small-scale projects, which are estimated to cost less than \$500,000, though CERP funds have been spent on projects costing more than \$500,000. Program guidance restricts CERP to 20 authorized purposes, including electricity, transportation, education, healthcare, and water and sanitation projects. U.S. commanders have used CERP to fund projects in all 34 provinces in Afghanistan.

The U.S. Central Command is responsible for military activities in southwest Asia, and, therefore, has Afghanistan within its area of responsibility. Within Afghanistan, U.S. Forces–Afghanistan (USFOR-A) has overall responsibility for military operations, including DOD's reconstruction program. The Combined Security Transition Command–Afghanistan (CSTC-A), under USFOR-A's command, has responsibility for funding the country-wide building program to support the national, regional, and district-level operations of the ANDSF. With regard to implementation, the U.S. Army Corps of Engineers (USACE) has been responsible for awarding contracts for and overseeing most of the reconstruction projects funded through the Afghanistan Security

⁴ The ANA and ANP were known collectively as the Afghan National Security Forces until 2015, when the name was changed to the Afghan National Defense and Security Forces.

⁵ DOD also received funding to support its reconstruction efforts in Afghanistan from several other sources, such as the Afghanistan Infrastructure Fund. Combined, the other sources of funding totaled \$4.7 billion through September 30, 2015.

⁶ SIGAR, *Quarterly Report to the United States Congress*, October 30, 2015.

⁷ The Coalition Provisional Authority was established as the transitional government of Iraq following the U.S. invasion of Iraq in March 2003.

Forces Fund. The Air Force Center for Engineering and the Environment (AFCEE) also has awarded several reconstruction contracts.⁸ USFOR-A components, such as joint task forces and provincial reconstruction teams, have been involved in administering most of the contracts for and overseeing CERP-funded projects.⁹

SIGAR's Inspection Program

Congress created SIGAR in 2008 to help detect and deter waste, fraud, and abuse with U.S. reconstruction activities in Afghanistan. SIGAR began its inspections of DOD reconstruction projects in May 2009 and issued its first inspection report in July 2009.¹⁰ Our inspections are assessments of facilities and infrastructure built or renovated using reconstruction funds. Generally, our inspection objectives are to determine the extent to which (1) construction met contract requirements and technical specifications, and (2) facilities were being used. As part of this assessment, we determine, among other things, whether the facilities are structurally sound and completed on time and within budget. Depending on the outcomes, we may make recommendations to improve the efficiency and effectiveness of construction efforts. We have an established recommendation follow-up process with DOD to track the corrective actions taken or target dates for completing the corrective actions for each recommendation.¹¹

Prior to visiting a project site, our inspectors review project documents, including, when available, the construction contract, modifications to the contract, design drawings, applicable international and DOD building codes, and quality assurance and other oversight reports. Reviewing these documents helps to identify specific criteria for determining whether construction was performed according to contract requirements, and, if not, whether the responsible administering agency provided adequate project oversight. During the on-site visits, our inspectors focus on the quality of the construction and determine such things as whether the facilities are (1) in compliance with contract requirements and technical specifications, (2) structurally sound, (3) complete, and (4) being used. In addition to inspecting the facilities, when appropriate, inspectors obtain views about the project from contractors as well as U.S. and Afghan government officials.

In the majority of DOD reconstruction project inspections, we were able to visit the project site personally. However, security concerns on the ground sometimes limited our inspection teams' ability to conduct on-site project assessments. For example, in some cases, we had as little as 1 to 2 hours on site to perform our inspection because of security and other concerns. Further, because of the drawdown of U.S. forces, combined with the increase in insurgent activity, we were not able to reach some project locations to conduct a physical inspection. For example, our inspectors were scheduled to visit the Gereskh Cold and Dry Storage Facility project site in Helmand province on two occasions in January and March 2014. Although the site was located within an area that allowed civilian visits when security conditions were deemed to be safe, both visit requests were denied.¹² International Security Assistance Force officials told us the requests were denied because that

⁸ AFCEE, the Air Force Civil Engineer Support Agency, and the Air Force Real Property Agency merged to become the Air Force Civil Engineer Center on October 1, 2012. The three reports in this summary report referencing AFCEE were issued prior to the merger.

⁹ Provincial reconstruction teams were key instruments through which the international community delivered assistance at the provincial and district level. The U.S.-managed provincial reconstruction teams were interim organizations used to improve security, support good governance, and enhance provincial development.

¹⁰ SIGAR Inspection 09-01, *Inspection of Improvements to the Khowst City Electrical Power System: Safety and Sustainability Issues Were Not Adequately Addressed*, July 28, 2009.

¹¹ For a detailed explanation of SIGAR's recommendation follow-up process, see SIGAR 15-29-AR, *Department of Defense: More than 75 Percent of All SIGAR Audit and Inspection Report Recommendations Have Been Implemented*, January 15, 2015.

¹² U.S. military officials told us they would provide civilian access only to areas within a 1-hour round trip, using air assets, of an advanced medical facility. See SIGAR 14-4-SP, *Oversight Access Inquiry Letter to Department of Defense, Department of State and U.S. Agency for International Development*, October 10, 2013.

area had high insurgent activity and was unsafe to visit. Instead, we relied heavily on an extensive collection of contract and management documentation, including photos and site visit reports.

Our inspections were conducted under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended. Of the 36 inspections included in this report, 27 were completed in accordance with *Quality Standards for Inspection and Evaluation*, published by the Council of the Inspectors General on Integrity and Efficiency. The other 9 inspections were conducted in accordance with generally accepted government auditing standards. The engineering assessments were conducted by our professional engineers in accordance with the National Society of Professional Engineers' *Code of Ethics for Engineers*.

Impact of the Military Drawdown

With the drawdown of U.S. and coalition forces beginning in June 2011, significant portions of Afghanistan became inaccessible to SIGAR and other agencies conducting oversight of reconstruction activities, as well as the agencies implementing reconstruction efforts. As an alternative means for conducting oversight, due to a limited ability to travel within Afghanistan, in December 2014, we entered into an agreement with vetted and well-trained Afghan civil society partners to assist us with our inspections. These partners conduct site visits and engineering assessments of various reconstruction projects on our behalf and report back to us on the results.

MORE THAN 60 PERCENT OF THE DOD RECONSTRUCTION PROJECTS THAT SIGAR INSPECTED DID NOT FULLY MEET CONTRACT REQUIREMENTS OR TECHNICAL SPECIFICATIONS

Of the 44 DOD reconstruction projects we inspected from July 2009 through September 2015, 16 met contract requirements and technical specifications. The 28 remaining projects had construction work that did not meet contract requirements or technical specifications. Noncompliance ranged from substituting building materials without approval to not completing work required under the contract. In some cases, these actions had health and safety concerns associated with them. Sixteen projects contained deficiencies so severe that they threatened the structural integrity of the buildings and the safety of their occupants. For example, the design and construction flaws of the Bathkhak School in Kabul province were so serious and potentially life threatening that we sent a safety alert letter to the Commander of USFOR-A, urging a delay in the transfer of the newly constructed school buildings to the Afghan government until our inspection report was issued and the Commander could take action to address the full set of concerns discussed in the report.¹³ We found that poor contractor performance and inadequate government oversight were the primary contributors to nonadherence to contract requirements and technical specifications.

Examples of DOD Reconstruction Projects that Met Contract Requirements and Technical Specifications

We determined that 16 of the 44 DOD reconstruction projects we inspected met contract requirements and technical specifications. These projects show that when contractors adhere to requirements and there is adequate oversight, high-quality projects can be the result. In addition, Afghan support can have a positive impact on the outcome of a project. The following are two examples of projects in which contractors followed the requirements and technical specifications, and built good facilities.

¹³ SIGAR SP-13-5, *Safety Alert Letter: Bathkhak School*, June 21, 2013.

SIGAR 14-82-IP, Gereshk Cold and Dry Storage Facility: Quality of Construction Appears To Be Good, but the Facility Has Not Been Used to Date, July 16, 2014

We reported that the \$2.89 million Gereshk Cold and Dry Storage Facility located in Helmand province was well constructed. The quality of construction for this USACE-administered contract can be attributed to Afghan quality assurance personnel being on site for part of the project, USACE engineers and quality assurance personnel making multiple oversight visits, and USACE holding the contractor accountable for correcting construction deficiencies. For example, USACE made 23 site visits during construction and sent the contractor 26 letters, many of which expressed concerns regarding scheduling and construction delays. On the DD Form 1354, USACE listed several construction deficiencies associated with the storage facility, including installing and painting steel shelving in the cold storage rooms.¹⁴ USACE and others provided us photographs and documents showing that the contractor corrected all of the deficiencies. Even though the facility was well built, at the time we issued our July 2014 report, or 10 months after it was transferred to the Afghan government, the Ministry of Commerce and Industry was still seeking private investors to lease the storage facility.

SIGAR Inspection 09-02, Inspection of Mahmood Ragi to Nijrab Road Project in Kapisa Province: Contract Requirements Met, but Sustainability Concerns Exist, October 2, 2009

Our inspection of this \$6.6 million project to build a 28.5-kilometer road did not disclose any shortcomings in the Afghan contractor's compliance with contract requirements, including project design, schedule, cost, and quality. We found that the project, administered by the Kapisa provincial reconstruction team, was on schedule, and the contractor was adhering to Afghan road construction standards to grade and widen the road to meet alignment and road width requirements. For example, the contractor was required to place an asphalt base course along the road of 6 centimeters thick and 7 meters wide in accordance with the Afghan Ministry of Public Works' road construction standards. We spot-checked the base course construction in three places and found that the thickness and width conformed to the standards. In another example, the contractor was responsible for repairing, constructing, or extending 58 culverts along the road, as well as repairing and resurfacing five existing bridges and constructing a new 16-meter-long bridge.¹⁵ We determined that the level of workmanship was adequate and found no major deficiencies in the design or construction of the culverts or bridge work. However, we did question the project's sustainability due to the demands that would be placed on the road and the inability of the local Afghan authorities to maintain improved roads due to a lack of proper equipment, material, personnel, and expertise.¹⁶

Examples of DOD Reconstruction Projects that Did Not Meet Contract Requirements or Technical Specifications

Twenty-eight of the 44 projects we inspected had construction work that did not meet contract requirements or technical specifications. The deficiencies we found during these inspections were widespread and generally fit into three categories:

1. Soil issues, including inadequate site preparation and collapsible soil due to poor grading
2. Systems problems related but not limited to electrical, water, and sewer distribution, including improperly installed heating, cooling, and ventilation systems; inoperable water systems; improper testing and commissioning of mechanical systems; and non-code-compliant electrical wiring
3. Structural problems, such as the use of substandard, inadequate, and irregular building materials; poorly mixed, cured, and reinforced concrete; and improperly installed roofs, which led to leaks.

¹⁴ DD Form 1354 is used in connection with the transfer of military real property between the military departments and other government agencies.

¹⁵ A culvert is a structure that allows water to flow under a road from one side to the other, and can be made from a pipe, reinforced concrete, or other material.

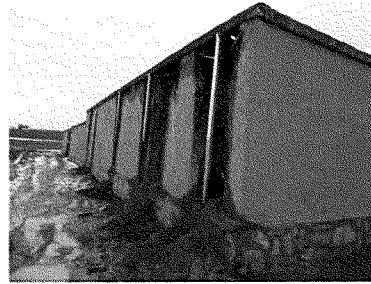
¹⁶ In May 2015, SIGAR initiated a performance audit to examine the sustainability of DOD- and U.S. Agency of International Development-constructed roads in Afghanistan.

The following are examples of projects where we found that the contractors did not adhere to contract requirements or technical specifications. The types of problems described in these examples are generally representative of the problems we found with other DOD reconstruction projects we inspected that did not meet contract requirements or technical specifications.

SIGAR 15-27-IP, Afghan Special Police Training Center's Dry Fire Range: Poor Contractor Performance and Poor Government Oversight Led to Project Failure, January 13, 2015

We reported that within 4 months of completion, the Afghan Special Police Training Center's dry fire range buildings began to disintegrate. This nearly \$500,000 project in Wardak province was administered by the Regional Contracting Center at Forward Operating Base Shank. Photo 1 shows the disintegration of one of the buildings. This disintegration or "melting" was caused by Qesmatullah Nasrat Construction Company, an Afghan firm, failing to adhere to contract requirements and international building standards, and using substandard materials. We also found that construction was plagued by poor government oversight throughout all phases of the project. Specifically, the contracting officer's representatives failed to identify any construction deficiencies. Further, despite the deficiencies, the Regional Contracting Center accepted the facilities and failed to hold the contractor fully accountable for correcting those deficiencies before the contract warranty expired. As a result, the range's safety and long-term sustainability were compromised. The Afghan government had to demolish and rebuild the dry fire range using its own funds, resulting in a waste of U.S. taxpayers' money.

Photo 1 - Exterior View of Building Deterioration Due to Water Penetration

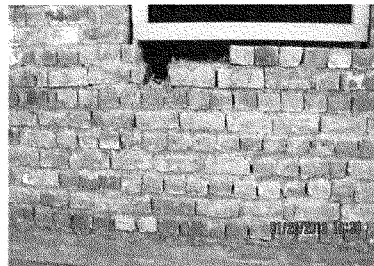


Source: Special Police Training Center, February 2013

SIGAR Inspection 13-10, Bathkhak School: Unauthorized Contract Design Changes and Poor Construction Could Compromise Structural Integrity, July 24, 2013

We reported that the Bathkhak School facility, which was under construction in Kabul province at the time of our inspection in 2013, was not being constructed in accordance with contract requirements. For example, instead of a single-story, 10-classroom building, we found two 5-classroom buildings were being built under this USFOR-A-administered project. We also found that the contractor substituted building materials without USFOR-A approval. In one instance, a concrete slab roof was installed instead of a wood-trussed roof, as required by the contract. This raised concerns because the school, which was to be occupied by hundreds of faculty and students, was located in an area of high seismic activity. Further, we found that the school appeared to have construction flaws that could compromise its structural integrity. For example, we found (1) large gaps between bricks in the walls that supported the concrete roof (see example in photo 2);

Photo 2 - School Building's Exterior Brick Wall with Gaps in Mortar



Source: SIGAR, January 20, 2013

(2) walls that did not appear to be reinforced; and (3) honeycombing, exposed rebar, and concrete form boards remaining in the concrete slab roof.¹⁷ We also found that USFOR-A did not make its first oversight visit to the project site until 6 months after construction began. At that time, the school was 70 percent complete.

Responding to a draft of our inspection report, USFOR-A ordered personnel to have the contractor fix the deficiencies under warranty; however, the unauthorized concrete roof remained an uncorrected problem. USFOR-A's response stated that "a licensed structural engineer from the U.S. Army Corps of Engineers performed a building structural assessment to include test and analysis for determination of the structural integrity of the building. The engineer determined that the ceiling reinforcing may be inadequate and should be monitored for any future cracks." The response also stated that U.S. officials would meet with Afghan authorities to see whether they would accept the risk of the school structure "as is" and, if so, would advise them to monitor the school for cracks.

SIGAR Audit-12-02. Better Planning and Oversight Could Have Reduced Construction Delays and Costs at the Kabul Military Training Center, October 26, 2011.

We reported that the Kabul Military Training Center experienced cost growth and schedule delays due to a variety of factors, including poor contractor performance and security issues. For example, Phase I and Phase II construction were completed 1.5 years and 2 years late, respectively. Oversight weaknesses contributed to these delays, which were not unique at the time, as AFCEE data showed that the majority of its projects in Afghanistan—80 percent—experienced similar delays. Further, although electrical problems were identified at the training center in June 2008, AFCEE did not address the problems until five fires occurred in four separate buildings at the end of that year.

In January 2009, AFCEE's contracting officer wrote that visual inspections indicated there were serious electrical problems in multiple facilities, two of which housed about 600 ANA soldiers each. Two key factors contributed to the electrical problems: (1) acceleration of the construction schedule without a commensurate increase in oversight, and (2) the use of substandard and counterfeit materials. In addition to the wiring not being compliant with the National Electrical Code, as the contract required, the AFCEE contracting officer stated that the level of craftsmanship was completely unacceptable.

¹⁷ Honeycombing is evidence of poor concrete consolidation, which can be caused by such things as too dry a mix or inadequate vibration during pouring of the concrete, leaving air bubbles in the concrete mix. Depending on the location of these defects, honeycombing can weaken the structure significantly. Similarly, exposed rebar will rust eventually and compromise the integrity of the concrete, and cause it to fail.

SIGAR Audit 11-03, ANP District Headquarters Facilities in Helmand and Kandahar Provinces Have Significant Construction Deficiencies Due to Lack of Oversight and Poor Contractor Performance, October 27, 2010

In October 2010, we reported that construction at each of the six district headquarters being built under a \$5.9 million USACE-administered project failed to meet contract and construction requirements. We found that the level of noncompliance at each site varied, but overall the construction was poor. Photo 3 shows stairs at the Garm Ser project site that are different heights and crumbling. Deficiencies identified were both extensive and unacceptable from a structural and safety standpoint. Problem areas included low-quality concrete and inadequate roofing installations. For example, inadequate concrete and foundation work called into question the structural integrity of the buildings and raised the risk of collapse. Most significantly, we observed structural issues that cast doubt on the facilities' ability to withstand an earthquake, as required by the contract. We also found numerous cases of product substitution in which lower-grade materials were used instead of the quality specified in the contract. For example, poor-quality residential-grade windows were used instead of the commercial-grade windows that are thermally insulated and tempered. Due to poor contractor performance and USACE's failure to implement its own quality assurance procedures, we concluded that the U.S. government might be responsible for \$1 million in repair costs to address the construction deficiencies we identified during our inspection.¹⁸

Photo 3 - Stairs of Different Heights and Crumbling at Garm Ser Site

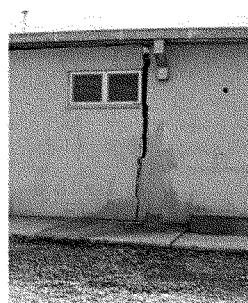


Source: SIGAR, June 27, 2010

SIGAR Audit 10-09, ANA Garrison at Kunduz Does Not Meet All Quality and Oversight Requirements; Serious Soil Issues Need to Be Addressed, April 20, 2010

In 2010, we reported that several structures at the ANA garrison in Kunduz were unsafe, uninhabitable, or unusable. The structures were being built under a \$72.8 million contract administered by USACE. We observed severe ground settlement, roadbed cavities, and improper soil grading. We noted that the probable cause of these issues was a lack of adequate soil preparation and pointed out that soil problems were well known in the area. For example, German forces built a camp nearby and used soil replacement, elevated building pads, and drainage systems to counter the risk of collapsible soil. Our report stated, "To protect U.S. investment in the garrison and provide a functioning center for ANA troops currently housed in tents outside the garrison, the issues we observed—most critically, the soil settling and site grading—need to be addressed." However, in a 2012 follow-up inspection, we found that soil instability and structural failure of facilities continued to occur, with ANA soldiers now living on the compound. For example, we found a latrine building that had settled and cracked, and was unusable

Photo 4 - Cracked Exterior of Latrine Building at ANA Garrison in Kunduz



Source: SIGAR, March 25, 2012

¹⁸ Also see SIGAR 14-13-IP, *Forward Operating Base Sharana: Poor Planning and Construction Resulted in \$5.4 Million Spent for Inoperable Incinerators and Continued Use of Open-Air Burn Pits*, December 16, 2013. We reported that Fluor, the base contractor responsible for operating the incinerator system upon completion, found numerous electrical deficiencies during an inspection that it estimated would cost \$1 million to repair. Base officials decided not to operate the incinerators because of the high cost to correct the deficiencies.

(see photo 4). USACE officials attributed it to water infiltration underneath the building. An adjacent barracks was beginning to settle and was at risk of structural failure. We also found a sinkhole and pooled storm water putting the concrete pad for a transformer that provided much of the base's power at risk of structural failure.

DOD Worked to Improve Its Oversight Processes, but Problems Continued

DOD established procedures and worked to improve its existing processes to ensure control and accountability for both its Afghanistan Security Forces Fund and CERP-funded projects. For example:

- As soon as we informed USACE of the lack of water at the Afghan Border Police Base Lal Por 2, it assembled a project development team to find a solution to the water supply issue.¹⁹ The lack of water had prevented Lal Por 2 from being used. More importantly, USACE noted that in June 2011, it began mandating hydrogeologist reviews to assess the water supply as part of its site assessments.
- In 2012, USACE issued a new policy for the certification and training of contracting officer's representatives, particularly to emphasize the importance of documentation in their files. Multiple SIGAR reports had identified missing contract and project documentation as a problem, and one that affected our ability to perform complete and thorough audits and inspections.
- USFOR-A stated in comments to our Abdul Manan School inspection report in 2009 that provincial reconstruction teams without engineer and construction inspectors drawn from military organizations should not be allowed to conduct construction-related CERP initiatives.²⁰ This was to try to prevent the situation that USFOR-A noted in response to our inspection of the nearby Farukh Shah School: "Every effort is made to provide a quality project to the Afghans. However, the reality of the situation is that CERP projects are prepared by soldiers and not engineering firms."

Despite DOD's attention to establishing procedures and improving existing processes, serious problems continued with its reconstruction projects. For example, CSTC-A acknowledged that in 2009, it "only had about thirty personnel to manage the program, a clearly insufficient number to both plan and execute." However, CSTC-A added that it had taken, and continued to take, multiple actions to improve required oversight, including obtaining more personnel to do it.²¹ CSTC-A stated that it had begun to expand its engineering staff from 30 in 2010 to 96 in 2011, and was trying to secure an additional 66 engineers. In addition, the command noted changes in management and contracting guidance designed to improve planning and oversight. Yet, three of the most troubled sites in our inspection inventory involved projects that began years after we started reporting on systemic oversight weaknesses with DOD reconstruction projects. Specifically, the Afghan Special Police's Dry Fire Range, Bathkhak school, and ANA slaughterhouse were all started in 2012. For example, we identified unapproved product substitution as a problem with both the dry fire range and the school, an issue we had raised in prior reports. SIGAR's July 2013 quarterly report to Congress stated that "Investigations, along with SIGAR's audits, inspections, and special projects, highlight serious shortcomings in U.S. oversight of contracts: poor planning, delayed or inadequate inspections, insufficient documentation, dubious decisions, and—perhaps most troubling—a pervasive lack of accountability."^{22, 23}

¹⁹ SIGAR Inspection 12-01, *Construction Deficiencies at Afghan Border Police Bases Put \$19 Million Investment at Risk*, July 30, 2012.

²⁰ SIGAR Inspection 10-02, *Inspection of Abdul Manan Secondary School Construction Project in Kapisa Province: Insufficient Planning, Safety Problems, and Poor Quality Control Affect Project Results*, October 26, 2009.

²¹ SIGAR Audit 11-6, *Inadequate Planning for ANSF Facilities Increases Risk for \$11.4 Billion Program*, January 26, 2011.

²² See SIGAR, *Quarterly Report to the United States Congress*, July 30, 2013.

²³ The DOD Inspector General found similar recurring problems in construction for the U.S. military (see DODIG-2015-059, *Military Construction in a Contingency Environment: Summary of Weaknesses Identified in Reports Issued From January 1, 2008, Through March 31, 2014*, January 9, 2015).

AT THE TIME OF SIGAR'S INSPECTION, ONE-THIRD OF THE 21 COMPLETED PROJECTS WERE NOT BEING USED, AND 23 PROJECTS WERE INCOMPLETE

Of the 44 DOD reconstruction projects that we inspected through September 2015, 21 were complete and 23 were incomplete at the time of our inspections. Of the 21 projects that were complete, 14 were being used and 7, or one-third of the completed projects, had never been used. We found that usage of the 14 projects varied with some projects being fully used and others only partially used. Of the 23 incomplete projects, 6 projects were still under construction within their originally scheduled completion dates and, therefore, would not have been ready for use at the time we inspected them; 5 were incomplete due to project termination or for reasons we could not determine at the time of our inspections; and 12 were experiencing construction delays that had extended their completion past the original schedule. For the 12 projects experiencing construction delays, we determined that at the time we inspected them, the delays ranged from 5 months to over 2 years and 7 months beyond the projects' originally scheduled completion dates. The primary factors contributing to delays included poor contractor performance, insurgent activity, inclement weather, and contract modifications, as well as inadequate planning and oversight. Despite being incomplete, we noted that 7 of the 23 projects were being used to some extent at the time of our inspections.

In 2012, DOD, to its credit, decided to reduce construction plans for ANDSF facilities for a variety of reasons, including the nonuse and underutilization of existing facilities, as well as the drawdown of U.S. military and coalition forces anticipated by the end of 2014.²⁴ For example, in April 2012, the International Security Assistance Force created the Operational Basing Board, which was expected to meet weekly to review and nominate existing U.S. and coalition facilities for closure or transfer to the Afghan government. As a result, through December 2012, the coalition closed 235 facilities and transferred 352 other facilities to the ANDSF. According to CSTC-A, transferring these existing coalition facilities to the ANDSF helped eliminate the need to construct 318 new ANDSF facilities and decreased costs by approximately \$2 billion.

Our September 2013 audit report addressing ANDSF facility planning identified 52 additional projects that might not meet the International Security Assistance Force's construction deadline, which was tied to the drawdown of U.S. and coalition forces anticipated by the end of 2014.²⁴ As a result, we recommended further planning and action to reduce waste in \$4.7 billion worth of planned and ongoing construction. Our conclusion noted, "DOD is building these facilities without knowledge of current utilization and the Afghan government's ability to sustain them. We have previously reported that current facilities are underutilized or not being used at all, and have repeatedly questioned the ANDSF's ability to operate and maintain these facilities." Two months later, in November 2013, the International Security Assistance Force issued a fragmentary order to reduce the size of the ANDSF infrastructure inventory by terminating, de-scoping, or offsetting ongoing construction projects less than 50 percent complete, giving the Afghan government a better chance of sustaining the remaining facilities.²⁵ As noted in our 2015 audit report on the status of our recommendations to DOD, this resulted in DOD discontinuing construction on all or part of 101 projects, achieving estimated cost savings of up to \$800 million.²⁶

²⁴ SIGAR Audit 13-18, *Afghan National Security Forces: Additional Action Needed to Reduce Waste in \$4.7 Billion Worth of Planned and Ongoing Construction Projects*, September 13, 2013. U.S. and coalition forces transferred security responsibility to the Afghan government at the end 2014. Leading up to this transition, those forces began to reduce their presence in Afghanistan. Because of this reduced U.S. and coalition presence, the International Security Assistance Force issued guidance requiring that all remaining ANDSF construction projects be completed by December 2014.

²⁵ International Security Assistance Force Fragmentary Order 215-2013, November 2013.

²⁶ SIGAR 15-29-AR, *Department of Defense: More than 75 Percent of All SIGAR Audit and Inspection Report Recommendations Have Been Implemented*, January 15, 2015.

Completed Projects

At the time of our inspections, we found that 21 projects were complete. Of those, 14 projects were being used, though the extent of usage varied by project. In some cases, the facilities were being fully used, such as the Qala-i-Muslim medical clinic; in other cases, we found the facilities were completed but were only partially being used, such as Salang hospital and Iman Sahib Border Police Headquarters. The remaining 7 completed projects had never been used. The following are examples of projects that were completed.

Completed Projects Being Used

SIGAR Inspection 13-07, Qala-i-Muslim Medical Clinic: Serving the Community Well, But Construction Quality Could Not Be Fully Assessed, April 17, 2013

We reported that Qala-i-Muslim medical clinic in Kabul province, built with CERP funds and administered by Joint Task Force-Kabul, appeared to be a success story. The community of 4,000 people supported the clinic's construction, a villager donated the land, and the facilities were being used on a daily basis. The clinic director told us that the clinic was serving between 200 and 300 patients per month. At the time of our January 2013 inspection, records showed 1,565 outpatient consultations, 63 prenatal patients, and 63 newborn deliveries since the clinic opened in September 2011.

We did not observe any major deficiencies, and our inspection found that the clinic had working heat, electrical, and water systems; floors were clean; medical staffing was good; bedding was plentiful and well kept; and the separate pharmacy building was well stocked. Photo 5 shows a postnatal room. Our report also noted that the Ministry of Public Health had signed an agreement as part of the approval process to sustain the clinic upon completion and that it had fulfilled its commitment to do so, and should be commended for it.

Photo 5 - Postnatal Room at Qala-i-Muslim Medical Clinic



Source: SIGAR, January 23, 2013

SIGAR 14-31-IP, Salang Hospital: Lack of Water and Power Severely Limits Hospital Services, and Major Construction Deficiencies Raise Safety Concerns, January 29, 2014

We reported that Salang hospital in Parwan province, built under a Regional Contracting Center-Bagram-administered contract, was functioning more as a medical clinic than as a hospital. Although the hospital was being used, it was not providing many of the services that it was intended to provide; the hospital staff were only using about 35 percent of the square footage of the constructed facility; and the hospital employed less than 20 percent of the staff it was expected to employ. According to the doctors and nurses on site during our inspection, the limited use—due primarily to the lack of electricity, water, furniture, and equipment—had prevented them from providing optimal medical care. For example, because there was no clean water, hospital staff were washing newborns with untreated river water. In another example, since the required solar panel system had not been provided, hospital staff were paying the equivalent of about \$18 a month of their own money to a neighbor to provide enough electricity to operate one light bulb in each of three hospital rooms. Despite these and other serious construction deficiencies found during our inspection, the contractor was paid the full amount of the contract—more than \$500,000.

SIGAR Inspection 13-05, Iman Sahib Border Police Company Headquarters in Kunduz Province: \$7.3 Million Facility Sits Largely Unused, January 29, 2013

We reported that this \$7.3 million Afghan Border Police facility, built under a USACE-administered contract, was being used; however, at the time of our inspection, there were only about 12 police personnel at the base that was built for 175 personnel. Our inspection was limited to 3 of the base's 12 buildings because most buildings were locked, and on-site personnel did not have keys. However, most of the buildings appeared to be unused. We did not identify any major construction quality issues with the three buildings that we inspected. In it comments on a draft of our report, the North Atlantic Treaty Organization Training Mission–Afghanistan/CSTC-A stated that the low occupancy rate was due to a change in ANP staffing requirements from 175 personnel for a combined battalion and company headquarters at the time the facility was planned to a 59-person company headquarters by the time the facility was completed—a span of about 2 years.

Completed Projects Never Used

SIGAR 14-10-IP, Walayatti Medical Clinic: Facility Was Not Constructed According to Design Specifications and Has Never Been Used, October 30, 2013

We reported that more than 20 months after the Walayatti medical clinic had been completed, it had never been used. At the time of our 2013 inspection, the clinic, built under a Joint Task Force-Kabul-administered contract, had no medical equipment and had not been staffed. Further, there was no evidence that the clinic had been properly transferred to the Afghan government or that the Ministry of Public Health planned to supply equipment for or staff the clinic. A ministry official told us that the clinic was not included in its operation and maintenance plan because the U.S. government had failed to coordinate with the Ministry of Public Health's Policy and Planning Directorate, and had not officially transferred the facility to the Afghan government. The project files contained no documentation of the clinic's transfer to the Afghan government after construction was completed.

SIGAR 14-82-IP, Gereshk Cold and Dry Storage Facility: Quality of Construction Appears To Be Good, but the Facility Has Not Been Used to Date, July 16, 2014

We reported that the Gereshk Cold and Dry Storage Facility in Helmand province—a \$2.89 million facility funded by DOD's Task Force for Business and Stability Operations (TFBSO) and built under a USACE-administered contract—had been completed and was well constructed, but had never been used and was not being maintained. Construction was completed in May 2013, and the storage facility was transferred to the Afghan government in September 2013. The completed facility contained about 10,000 square feet of cold storage and 13,000 square feet of dry storage. However, TFBSO did not achieve what it told us was the key to the project's success—the operation, maintenance, and control of the facility by an Afghan business.

TFBSO found a distribution and juice production company, Omaid Bahar, Ltd., which was interested in expanding its activities into Helmand province. The task force discussed the facility's use with other investors, but determined that Omaid Bahar, Ltd. had the most comprehensive plan for using it. However, the company suffered damage to its Kabul cold storage facility, and planned repair expenditures kept it from expanding operations at the Gereshk site. Although several other investors subsequently expressed an interest in the facility, deals were never reached. According to TFBSO officials, the investors told them that the Afghan district governor was asking for money from the investors before leasing the property. The Afghan Ministry of Commerce and Industry was continuing to look for private-sector investors.

Incomplete Projects

Of the 23 projects that were incomplete at the time of our inspection, 6 projects were still under construction within their originally scheduled completion dates and, therefore, would not have been ready for use at the time we inspected them. These were the Habib Rahman Secondary School, the Kohi Girls' School, the Tojg Bridge, the ANA garrison at Gamberi, the ANP Main Road Security Company, and the Bathkhak School. Five

projects were incomplete due to project termination or for reasons we could not determine at the time of our inspections. For example, the ANA slaughterhouse project was terminated before completion. The 12 remaining projects were experiencing construction delays that had extended their completion past the original schedule. Seven of the 23 projects were being used to some extent at the time of our inspections. For example, despite being incomplete, ANA personnel were using the ANA garrison at Kunduz.

Incomplete Projects Experiencing Delays

As noted, with respect to the 12 projects experiencing construction delays at the time of our inspections, we found that the delays ranged from 5 months to over 2 years and 7 months beyond the projects' originally scheduled completion dates. For example, the ANP provincial headquarters in Kunduz was not complete and was experiencing construction delays of about 1 year at the time of our on-site inspection. Construction delays have not been uncommon with reconstruction activities in Afghanistan. For example, we reported in our review of construction at the Kabul Military Training Center that about 80 percent of all AFCEE's construction projects for CSTC-A experienced schedule delays.²⁷ Although AFCEE has since taken corrective action, between 2006 and 2010, our review of AFCEE data showed that 33 of 41 AFCEE construction projects for CSTC-A were delayed. The delays, caused by a variety of factors including contractor performance problems, ranged from 1 month to 2 years, and averaged 10 months. The following are examples of the projects that were experiencing completion delays when we inspected them.

SIGAR Audit 10-10, ANA Garrison at Gamberi Appears Well Built Overall but Some Construction Issues Need to Be Addressed, April 30, 2010

We reported that two of the three construction phases for the \$129.8 million ANA garrison at Gamberi, built under a USACE-administered contract, were ongoing and had not met their originally scheduled completion dates at the time of our inspection. At the time of our inspection, Phase I was estimated to be completed about 2 years after the originally scheduled completion date, while Phase II was estimated to be completed about 1 year after its originally scheduled completion date. The contractor, DynCorp International, received two unsatisfactory ratings associated with these delays. For example, the Phase I unsatisfactory rating stated that DynCorp did not manage key personnel changes to ensure continuity, including when it replaced one program and two project managers. In addition, DynCorp was cited for failing to properly manage, control, and coordinate with subcontractors. DynCorp also failed to replace subcontractors before they were terminated, which further delayed the project. DynCorp acknowledged that it did not effectively manage Phase 1 of the contract. For Phase II, DynCorp was unable to commit sufficient resources and personnel to the project, and, similar to what happened in Phase I, DynCorp failed to adequately locate and manage a sufficient number of subcontractors to commence work. In response to our report, DynCorp took corrective action to address these issues, including implementing a new subcontracting plan and new process to ensure that subcontractors were qualified to perform the work.

SIGAR Inspection 13-4, Kunduz Afghan National Police Provincial Headquarters: After Construction Delays and Cost Increases, Concerns Remain About the Facility's Usability and Sustainability, January 24, 2013

We reported that this \$12.4 million project was originally scheduled to be completed in September 2012 but was about 1 year behind schedule at the time of our on-site inspection. We found that soon after USACE awarded the contract, the contractor began to have problems with collapsible soil conditions and sink holes on the project site. As a result, construction work was placed on hold until a \$5 million contract modification was executed to remediate the collapsible soil risk by requiring the contractor to over-excavate the building pads by 3 meters and then bring in certified backfill material as replacement soil. This process delayed construction progress by approximately 10 months. It was unclear why USACE did not address the potential for collapsible soil as part of the contract award since the soil condition was endemic to the area. For example, we noted a similar problem in an April 2010 report and an October 2012 report when a USACE contractor at an ANA

²⁷ SIGAR Audit 12-02, *Better Planning and Oversight Could Have Reduced Construction Delays and Costs at the Kabul Military Training Center*, October 26, 2011.

garrison in the same general area of Kunduz province had failed to identify serious collapsible soil problems in its geotechnical report.²⁸

DOD HAS IMPLEMENTED THE MAJORITY OF RECOMMENDATIONS MADE IN SIGAR INSPECTION REPORTS COVERING RECONSTRUCTION PROJECTS

We made 95 recommendations to DOD in our 36 inspection reports issued from July 2009 through September 2015. Through September 30, 2015, we had closed 90, or about 95 percent, of those recommendations. Of those 90 recommendations, DOD implemented 76, or about 84 percent. Although DOD did not implement the 14 remaining recommendations, we closed these recommendations because (1) DOD did not concur with the recommendation or took no action on the recommendation, and we believed no further action would be taken; (2) DOD did not take timely action, which rendered the recommendation moot; or (3) planned work superseded the recommendations. As of September 30, 2015, 5 recommendations remained open. We made all 5 of these open recommendations to U.S. Central Command subordinate commands. As part of our follow-up process, we will continue to monitor the open recommendations to determine whether DOD is taking appropriate steps to implement the recommendations.²⁹

The large percentage of recommendations implemented shows that DOD generally was responsive to taking action to improve the efficiency and effectiveness in its reconstruction activities and to correct construction deficiencies. The following are some examples of specific actions that DOD took in response to our recommendations.

- USACE agreed with our findings that all three Afghan Border Police bases in Nangarhar province that we inspected had deficiencies, including critical water supply and septic and sewage system deficiencies. USACE noted that the contractor had corrected many of the deficiencies prior to the issuance of our report.³⁰ USACE also noted that it officially notified the contractor to remediate the remaining deficiencies within the contract warranty period and that it withheld almost \$700,000 in retainage and liquidated damages pending satisfactory closeout submittal and approval.³¹
- The Farah provincial reconstruction team responded to concerns about the strength of concrete arches at the Tojg Bridge with a plan to test and confirm the integrity of the concrete. In responding to a draft of our report, USFOR-A officials noted that USACE conducted an assessment, which verified that the bridge's quality control procedures had been adequate and, therefore, provided reasonable assurances that structural concrete placed prior to initiation of testing met design requirements.³²
- USACE took immediate action at the ANA garrison in Gamberi to (1) remedy possible flooding by having drainage areas examined and repaired, and have the contractor conduct frequent surveys for future deteriorating conditions; (2) repair a bridge near the garrison's main entrance that we believed

²⁸ SIGAR Audit 10-09, *ANA Garrison at Kunduz Does Not Meet All Quality and Oversight Requirements; Serious Soil Issues Need to be Addressed*, April 30, 2010; and SIGAR Inspection 13-1, *Kunduz ANA Garrison: Army Corps of Engineers Released DynCorp of All Contractual Obligations Despite Poor Performance and Structural Failures*, October 25, 2012.

²⁹ As of February 26, 2016, DOD had provided SIGAR with documentation that allowed us to close three of the five recommendations that remained open on September 30, 2015. Our report on a warehouse facility at Kandahar Airfield still has one open recommendation, and our report on a ANP dry fire range training facility also has one open recommendation (see SIGAR 15-74-IP, *\$14.7 Million Warehouse Facility at Kandahar Airfield: Construction Delays Prevented Facility from Being Used as Intended*, July 15, 2015; and SIGAR 15-27-IP, *Afghan Special Police Training Center's Dry Fire Range: Poor Contractor Oversight Led to Project Failure*, January 13, 2015).

³⁰ Although we did not issue the final report until July 2012, in April 2012, we briefed USACE on the issues we identified during our site visits and potential solutions.

³¹ SIGAR Inspection 12-01, *Construction Deficiencies at Afghan Border Police Bases Put \$19 Million Investment at Risk*, July 30, 2012.

³² SIGAR Audit 10-07, *The Tojg Bridge Construction is Nearly Complete, but Several Contract Issues Need to Be Addressed*, March 1, 2010.

could collapse under heavy traffic because its deck service had been compromised; and (3) designed and planned for the installation of a perimeter fence that we said was needed to secure the weapons training range.³³

- The Kapisa provincial reconstruction team concurred with our recommendation to award a follow-up contract to repair the many deficiencies uncovered during our inspection at the Farukh Shah School, including the need to properly grade and compact the construction site's soil to prevent erosion from undermining the foundation of the school's various structures.³⁴

Although DOD corrected some of the construction deficiencies, making the repairs sometimes resulted in additional expenditures beyond the initial cost of the contracts. For example, at the ANP provincial headquarters in Kunduz, USACE's failure to address potential collapsible soil conditions as part of its \$12.4 million contract award caused a 10-month delay in the project's completion and a \$5 million cost increase.³⁵ In addition, repairs to the Farukh Shah School would require a follow-up contract beyond the \$150,000 in CERP funds already spent. Our reports did not routinely break down additional repair costs since some projects were ongoing at the time of our inspections or additional contracts would occur after our inspections. As a result, we could not determine the total amount spent to make various repairs we identified.

CONCLUDING OBSERVATIONS

While some of the DOD projects we inspected from July 2009 through September 2015 were well built and met contract requirements and technical specifications, most of the projects did not meet those requirements and had serious construction deficiencies that, in some cases, had health and safety implications. In many cases, poorly prepared or unqualified contractor personnel, inferior materials, poor workmanship, and inadequate contractor and U.S. government oversight contributed to those substandard results. Despite these problems, many contractors were paid the full contract amount. It is reasonable to expect that before a contractor is paid in full that the facility being built is inspected and all deficiencies corrected, or arrangements made for correcting the deficiencies during the warranty period. Otherwise, U.S. taxpayers are shortchanged, and the Afghans receive unsafe or shoddy facilities.

It is clear from the results of our inspections to date that DOD can and should do better to ensure the requirements of its reconstruction contracts are met to avoid the waste and delay that can come from having to fix or simply abandon deficient projects. This can be done, in part, with better project planning and oversight to ensure that facilities are built correctly. Unless future projects in Afghanistan are better planned and designed, and constructed by qualified contractors that are capable of adhering to requirements, and there is more effective oversight by both the contractor and the U.S. government that includes holding contractors accountable for adhering to their contracts, DOD's reconstruction projects in Afghanistan will continue to be plagued by costly deficiencies.

We recognize DOD's efforts to address our recommendations in a timely manner and in ways that help improve the efficiency and effectiveness of reconstruction projects. Although many of our recommendations were directed toward specific projects, we note that DOD also established procedures that impact the full scope of its reconstruction projects. However, despite these efforts, this report shows that many of the projects we inspected had significant deficiencies caused, in part, by common and recurring problems. This indicates that

³³ SIGAR Audit 10-10, *ANA Garrison at Gamberi Appears Well Built Overall but Some Construction Issues Need to Be Addressed*, April 30, 2010.

³⁴ SIGAR Inspection 10-01, *Inspection of Farukh Shah School Construction Project in Kapisa Province: Project Completion Approved Before All Contract Requirements Met*, October 26, 2009.

³⁵ SIGAR Inspection 13-4, *Kunduz Afghan National Police Provincial Headquarters: After Construction Delays and Cost Increases, Concerns Remain about the Facility's Usability and Sustainability*, January 24, 2013.

DOD needs to continue working to improve the management and oversight of its reconstruction projects in Afghanistan.

Since our 36 inspection reports contained numerous recommendations to improve the efficiency and effectiveness of DOD's reconstruction activities in Afghanistan, this report does not contain any new recommendations.

AGENCY COMMENTS

We provided a draft of this report to the U.S. Central Command, USFOR-A, CSTC-A, USACE, and the U.S. Air Force Civil Engineer Center. Only USFOR-A and USACE provided written comments, which are reproduced in appendices IV and V, respectively. In addition, USACE provided technical comments, which we incorporated into this report, as appropriate.

In its comments, USFOR-A stated that this report's value "lies in consolidating lessons that may benefit organizations charged with construction efforts in similar environments." USFOR-A noted, however, that our selection of projects was "not a random sampling among the hundreds of construction projects executed, but rather a selection of projects with shared issues." USFOR-A also noted that this report does not represent new research and does not include an associated update on progress made in correcting the discrepancies reported. However, USFOR-A's objections are misplaced. Our objective was to analyze and identify common themes in the findings of the 36 inspection reports that SIGAR issued from July 2009 through September 2015. In addition, at no point in this report do we state that the contracting and construction problems we encountered during the course of our inspections was necessarily representative of all DOD reconstruction projects in Afghanistan over time. Rather, we believe that the primary value of this report is that it highlights issues on which DOD should focus its quality assurance efforts in current and future construction projects.

In its comments, USACE stated that it appreciated our acknowledgment of the challenges posed by the combined negative impacts of the high-threat security environment and the drawdown of military forces on sustaining continuous construction surveillance and quality control. USACE also stated that it appreciated our remarks that it promptly responded to 90 percent of the deficiencies we identified in the 27 USACE reconstruction projects addressed in this report, and it concurred that the life and safety issues SIGAR discovered during its inspections were troublesome. However, similar to USFOR-A, USACE claimed these 27 projects were not a representative sample of more than 1,200 projects that it had executed during the past 12 years in Afghanistan. As noted above, this objection is misplaced. The stated objective of this audit was to analyze and identify common themes in the findings of the 36 inspection reports that SIGAR issued from July 2009 through September 2015. USACE also stated that it remains firmly committed to continuously improving its approach to construction quality assurance.

APPENDIX I - SCOPE AND METHODOLOGY

This report analyzes and identifies common themes in the findings of the 36 inspection reports that SIGAR issued from July 2009 through September 2015 involving Department of Defense (DOD) reconstruction projects in Afghanistan. Specifically, the objectives of this report were to determine the extent to which (1) contractors met contract requirements and technical specifications when constructing or renovating facilities; (2) the facilities inspected were being used; and (3) DOD has implemented recommendations that we made in those inspection reports.

SIGAR began its inspections of DOD reconstruction projects in May 2009 and issued its first inspection report in July 2009. In preparing this summary report, we reviewed all 36 issued inspection reports involving DOD reconstruction projects in Afghanistan. These 36 reports involved 44 separate DOD reconstruction projects with a combined contract value of about \$1.1 billion.

To determine whether work was completed in accordance with contract requirements and technical specifications, and the facilities were being used, prior to visiting project sites, SIGAR inspectors reviewed project documents including, when available, the construction contract, contract modifications, design drawings, international or other applicable building codes, and quality assurance and other oversight reports. Reviewing these documents helped to identify specific criteria for determining whether construction was performed according to contract requirements, and, if not, whether the responsible administering agency provided adequate project oversight. During the on-site visits, inspectors focused on quality of construction and determined such things as whether the facilities were (1) structurally sound, (2) completed on time and within budget, and (3) being used. In addition to inspecting the facilities, when appropriate, inspectors obtained views about the project from contractors as well as U.S. and Afghan government officials.

For this summary report, we used findings from the 36 inspection reports to highlight successes as well as shortfalls with project planning, management, and oversight of the contracts and construction that led to adherence or nonadherence to contract requirements and technical specifications; use, nonuse, or limited use of facilities; and possible maintenance or sustainment issues with the facilities. To assess whether construction was performed as required, we reviewed the inspection reports to identify efficiency and effectiveness of construction. For example, we reviewed statements in the report and photos to make a determination of whether a project contained construction deficiencies. The same approach applied to identifying whether a facility was or was not being used. It was not our objective to reevaluate the findings in the original inspection reports, but rather to rely on the findings in the reports to evaluate whether projects were completed efficiently and effectively, and to identify common issues and problems that, when avoided, can form the basis for improving the management and effectiveness of reconstruction projects in Afghanistan.

To identify and assess whether DOD had implemented recommendations that we made in our inspection reports, we first identified all recommendations made to DOD in the 36 inspection reports issued from July 2009 through September 2015. To determine whether the recommendations were closed or open, we reviewed our January 2015 report on SIGAR recommendations to DOD to determine the status of each inspection recommendation and followed up with the relevant DOD entities and commands to determine the status of any recommendations made since the issuance of the January 2015 report.³⁶ The information gathered from these two sources allowed us to determine the status of each of the 95 recommendations made to DOD in our 36 inspection reports issued from July 2009 through September 2015.

We conducted our work on this report from July 2015 through March 2016, in Arlington, Virginia, in accordance with *Quality Standards for Inspection and Evaluation*, published by the Council of the Inspectors General on Integrity and Efficiency. SIGAR performed this work under the authority of Public Law No. 110-181, as amended; and the Inspector General Act of 1978, as amended. Of the 36 inspections included in this report, 27 were completed in accordance with *Quality Standards for Inspection and Evaluation*, published by the

³⁶ SIGAR 15-29-AR includes a description of SIGAR's recommendation follow-up process.

Council of the Inspectors General on Integrity and Efficiency. The 9 other inspections were conducted in accordance with generally accepted government auditing standards. The engineering assessments were conducted by our professional engineers in accordance with the National Society of Professional Engineers' *Code of Ethics for Engineers*.

APPENDIX II - SIGAR INSPECTION REPORTS INVOLVING DEPARTMENT OF
DEFENSE RECONSTRUCTION PROJECTS IN AFGHANISTAN (JULY 2009
THROUGH SEPTEMBER 2015)

Table 1 - SIGAR Inspection Reports Issued from July 2009 through September 2015

Report Number, Title, Date Issued, Original Contract Amount, and Administering Agency	Findings	Recommendations, Responsible Entity, and Recommendation Status as of December 31, 2015
SIGAR Inspection 09-01, <i>Improvements to the Khowst City Electrical Power System: Safety and Sustainability Issues Were Not Adequately Addressed</i> , July 28, 2009 \$1.57 Million Khowst Provincial Reconstruction Team	(1) Facility not built as required, but it is being used. (2) Contract 1 omitted several important project requirements; however, contract 2 effectively addressed project requirements. (3) Contractor 1 did not meet several requirements. (4) U.S. provincial reconstruction team's quality assurance was inadequate. (5) Afghan government may have difficulty operating and maintaining the city electrical power system.	(1) Correct the safety hazards and other technical deficiencies noted in this report. (Khowst Provincial Reconstruction Team; Closed-Not Implemented) (2) Assign qualified personnel to provide oversight of the follow-on Commander's Emergency Response Program (CERP) projects to correct safety hazards and technical deficiencies at the Khowst Power System. (Khowst Provincial Reconstruction Team; Closed-Not Implemented) (3) Provide training and mentoring of the power plant management and personnel to build capacity for addressing long-term maintenance and sustainability. (Khowst Provincial Reconstruction Team; Closed-Not Implemented) (4) Review other CERP projects to determine whether adequate project oversight, training and mentoring is being provided to build capacity for long-term project sustainability. (Khowst Provincial Reconstruction Team; Closed-Not Implemented)
SIGAR Inspection 09-02, <i>Mahmood Razi to Nijrab Road Construction Project in Kapisa Province: Contract Requirements Met, But Sustainability Concerns Exist</i> , October 2, 2009 \$6.60 Million Kapisa Provincial Reconstruction Team	(1) Facility was built as required, and it is being used. (2) Kapisa Province Ministry of Public Works lacks the capacity—equipment, material, or personnel—to maintain the road, once completed. (3) SIGAR estimates the lifetime of the road to be 5 years, unless an effective repair and maintenance program is implemented.	(1) Continue coordination with the U.S. Agency for International Development to include this road in the expanding Management and Operation Program and develop capacity for repairing and maintaining roads at the provincial level. (U.S. Forces-Afghanistan (USFOR-A); Closed-Not Implemented) (2) Provide information through the Combined Information Data Network Exchange system to give the U.S. Agency for International Development visibility of this project's details. (Kapisa Provincial Reconstruction Team; Closed-Not Implemented)
SIGAR Inspection 10-01, <i>Farukh Shah School Construction Project, Kapisa Province: Project Completion Approved Before All Contract Requirements Met</i> , October 26, 2009	(1) Facility was not built as required, but it was being used. (2) Project was closed out with significant work remaining to be completed, specifically school building, latrine, guard house, power plant, hand pump, and site cleanup.	(1) Issue a follow-up contract to address the construction deficiencies noted in this report. (Kapisa Provincial Reconstruction Team; Closed-Not Implemented) (2) Place greater emphasis on developing detailed scopes of work that anticipate and address critical design issues that are particular to each construction project rather than relying solely on

\$0.15 Million Kapisa Provincial Reconstruction Team	(3) We identified significant design deficiencies, including improper grading and the absence of a retaining wall that we believe should have been included in the project's scope of work. (4) Project was delayed by 2 years, and provincial reconstruction team says the provincial director of education pressured it to turning over the school "as-is" because students and teachers were using an outdoor area for instruction.	standard design plans. (Kapisa Provincial Reconstruction Team; Closed-Not Implemented)
SIGAR Inspection 10-02, Abdul Manan Secondary School Construction Project in Kapisa Province: Insufficient Planning, Safety Problems, and Poor Quality Control Affect Project Results, October 26, 2009 \$0.25 Million Kapisa Provincial Reconstruction Team	(1) Facility was not built as required and was not being used. (2) Statement of Work did not include major construction elements, resulting in a contract modification and cost increase, and subsequent award that was determined to be in violation of CERP guidelines requiring contract termination and project re-bid. (3) Lack of standardized quality assurance guidelines for CERP-funded projects.	(1) Take action to correct the multiple deficiencies noted in this report. This should start with ensuring both the Statement of Work and the Design Plan for this project reflect specific construction requirements, such as site location and contractor capabilities. (USFOR-A and Kapisa Provincial Reconstruction Team; Closed-Not Implemented) (2) Develop standardized quality assurance guidelines that can be used to manage this and other CERP-funded projects. (USFOR-A and Kapisa Provincial Reconstruction Team; Closed-Not Implemented)
SIGAR Inspection 10-03, Habib Rahman Secondary School Construction Project in Kapisa Province: Design and Safety Issues Require Attention, October 26, 2009 \$0.31 Million Kapisa Provincial Reconstruction Team	(1) Facility was not built as required, and was not being used. (2) We identified contract and design issues. Specifically, the contract did not require removal of the existing unfinished structure, lack of a reinforced retaining wall, and lack of necessary earth removal work. (3) Inadequate provincial reconstruction team management and quality assurance program that later improved.	(1) Initiate a follow-on CERP project to correct the design and safety deficiencies noted in this report. (USFOR-A and Kapisa Provincial Reconstruction Team; Closed-Not Implemented)
SIGAR Inspection 10-04, Kohi Girls' School Construction Project in Kapisa Province: Construction Delays Resolved, But Safety Concerns Remain, October 26, 2009 \$0.22 Million Kapisa Provincial Reconstruction Team	(1) Facility was built as required, but was not being used.	(1) Develop a plan for the removal of war-related debris from areas adjacent to the Kohi Girls' School construction project. (Kapisa Provincial Reconstruction Team; Closed-Not Implemented)

SIGAR Audit 10-07, <i>The Toig Bridge Construction Is Nearly Complete, but Several Contract Issues Need to Be Addressed</i>, March 1, 2010 \$1.75 Million Farah Provincial Reconstruction Team	(1) Facility was not built as required, and was not being used. (2) Concrete testing and other quality control measures were inadequate to ensure structural integrity of bridge. (3) Land ownership rights to bridge approaches were not documented. (4) Sustainability a concern in that local Afghan public works department lacks funding, equipment, and personnel.	(1) Establish accountability for the gravel plant and associated equipment to ensure the plant's sustainability. (USFOR-A and International Security Assistance Force; Closed-Implemented) (2) Ensure that necessary quality control and quality assurance procedures are performed and adequately documented, including (a) testing of critical construction materials is completed, (b) the structural concrete meets design requirements, and (c) preparation of weekly engineer reports documenting quality control and corrective actions. (USFOR-A and International Security Assistance Force; Closed-Implemented) (3) Ensure land rights associated with the bridge approaches are documented and transferred to the Afghan government. (USFOR-A and International Security Assistance Force; Closed-Implemented) (4) Address deficiencies in the contract files per applicable guidance. (USFOR-A and International Security Assistance Force; Closed-Implemented)
SIGAR Audit 10-09, <i>ANA Garrison at Kunduz Does Not Meet All Quality and Oversight Requirements; Serious Soil Issues Need to Be Addressed</i>, April 30, 2010 \$72.80 Million U.S. Army Corps of Engineers (USACE)	(1) Facility was not built as required, and was not being used. (2) Severe settling of soil was damaging buildings. (3) Poor welds and rust could lead to roof failure. (4) North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan (CSTC-A) officials were unaware of any justifications or planning documents for the garrison that addressed the strategic deployment of troops, garrisons, locations, or operations; however, the planning reports reviewed did not address these matters. (5) North Atlantic Treaty Organization Training Mission-Afghanistan/CSTC-A officials stated that the Afghan government does not have financial or technical capacity to sustain the Kunduz garrison or other Afghan National Security Forces (ANSF) facilities.	(1) Repair the welds and mitigate the rust on steel supports on the affected structures. (USACE; Closed-Implemented) (2) Resolve the soil stability issue and determine what mitigation or corrective actions are required for DynCorp to complete the garrison, including ensuring that the site is properly graded. (USACE; Closed-Not Implemented) (3) Ensure the Kunduz garrison's contract files are maintained according to USACE guidance. (USACE; Closed-Implemented)
SIGAR Audit 10-10, <i>ANA Garrison at Gamberi Appears Well Built Overall but Some Construction Issues Need to Be Addressed</i>, April 30, 2010	(1) Facility was built as required, but was not being used. (2) Facility appears well built, but poor flood control measures and site grading could lead to problems.	(1) Mitigate silt accumulation in the anti-vehicle and flood control trench. (USACE; Closed-Implemented) (2) Ensure that the site is properly graded. (USACE; Closed-Not Implemented)

\$129.80 Million USACE	(3) Concrete deck of the short bridge near the garrison's entrance is eroding.	(3) Repair bridge near the main entrance to the garrison. (USACE; Closed-Implemented)
	(4) North Atlantic Treaty Organization Training Mission-Afghanistan/CSTC-A officials stated they were unaware of any justification or planning documents for garrison's use.	(4) Secure the weapons training range with a perimeter fence. (USACE; Closed-Implemented)
	(5) Afghan government does not have capacity to sustain the Gamberi garrison or ANSF facilities.	
SIGAR Audit 10-12, ANP Compound at Kandahar Generally Met Contract Terms but Has Project Planning, Oversight, and Sustainability Issues, July 22, 2010 \$45.00 Million USACE	(1) Facility was built as required, but was not being used.	(1) Ensure that future projects adhere to USACE's established quality assurance and quality control procedures. (USACE; Closed-Implemented)
	(2) Four projects completed, but delays ranged from 6 months to 2 years.	(2) Review and update current guidance on austere construction standards to include more detailed guidance regarding heating and cooling options for various types of facilities, with the option to allow for regional differences. (Combined Security Transition Command-Afghanistan (CSTC-A), in consultation with USACE; Closed-Implemented)
	(3) No construction issues revealed.	(3) Provide guidance regarding appropriate electrical, plumbing, and other fixtures for facilities. (CSTC-A; Closed-Implemented)
\$45.00 Million USACE	(4) Inadequate project planning and oversight affected all four projects.	
	(5) Afghan government does not have the financial or technical capacity to sustain ANSF facilities once they are completed.	
SIGAR Audit 10-14, ANA Garrison at Farah Appeared Well Built Overall but Some Construction Issues Should Be Addressed, July 30, 2010 \$68.10 Million USACE	(1) Facility not built as required, but it was being used.	(1) Ensure that the site is properly graded around buildings to prevent the pooling of water. (USACE; Closed-Implemented)
	(2) Phase I completed 16 months past original completion date, and Phase II is 12 months behind schedule.	(2) Ensure that the asphalt roads and parking lots are properly compacted to minimize deterioration. (USACE; Closed-Implemented)
	(3) Contract management and oversight met requirements.	(3) Consider mitigating silt accumulation in the unlined drainage ditches around the garrison to minimize maintenance. (USACE; Closed-Implemented)
\$68.10 Million USACE	(4) Afghan government does not have the financial or technical capacity to sustain all ANSF facilities; therefore, two contracts were being awarded to provide operations and maintenance for ANSF facilities.	
SIGAR Audit 11-03, ANP District Headquarters Facilities in Helmand and Kandahar Provinces Have Significant Deficiencies Due to Lack of Oversight and Poor Contractor Performance, October 27, 2010 Nad Ali ANP District Headquarters: \$0.84 Million	Our final inspection covered six sites. These findings applied to all sites.	Our final inspection covered six sites. These recommendations applied to all sites.
	(1) Construction was poor, and two suspension letters were issued.	(1) Perform complete engineering evaluations at each of the six ANP project sites to determine the required level of reconstruction and repair needed to comply with the contract requirements. (USACE; Closed-Implemented)
	(2) Project was for six Afghan National Police (ANP) facilities: one site turned over to the ANP, another site cleared for turnover, nominal progress on another site, and three sites remain idle.	(2) Pursue all available options to obtain necessary repairs by Basirat or recoup costs if the repairs are not made. (USACE; Closed-Implemented)
Nad Ali ANP District Headquarters: \$0.84 Million	(3) Almost all performance payments have been paid out, and minimal funds	(3) Require that the maximum amount of retainage allowable by the Federal Acquisition Regulation (10

Nahri Saraj ANP District Headquarters: \$0.84 Million	were withheld from contractor payments to cover deficient work.	percent) be withheld from each payment for projects where information on the construction progress and quality is obtained primarily through the contractor or Local National Quality Assurance reports and where the contracting officer determines that satisfactory progress has not been made. (USACE; Closed-Implemented)
Spin Boldak District Headquarters: \$0.84 Million	Individual site findings were as follows:	
Takha Pul District Headquarters: \$0.84 Million	(1) Nad Ali ANP District Headquarters: Facility was not built as required, but it was being used.	(4) Institute a requirement for USACE personnel to conduct site visits and verify payments for construction progress if the completed work has only been verified by photographs taken by the contractor or where the information provided by the reports does not meet USACE quality assurance reporting standards. (USACE; Closed-Implemented)
Zeheli ANP District Headquarters: \$0.84 Million	(2) Nahri Saraj ANP District Headquarters: Facility was not built as required, but it was being used.	(5) Ensure compliance with USACE quality assurance standards on this and related projects, by directing Afghanistan Engineering District-South to require quality assurance representatives to file daily reports, ensure three-phase testing is implemented, and perform and record quality control testing. (USACE; Closed-Implemented)
Garm Ser ANP District Headquarters: \$0.84 Million	(3) Spin Boldak District Headquarters: Facility was not built as required, and it was not being used.	(6) Direct Afghanistan Engineering District-South to develop a process and procedure for coordinating with local coalition force units to (a) help confirm construction progress claims, and (b) determine the feasibility of using coalition force assets to supplement security and transportation needs. (USACE; Closed-Implemented)
Total: \$5.88 Million*	(4) Takha Pul District Headquarters: Facility was not built as required, and it was not being used.	
USACE	(5) Zeheli ANP District Headquarters: Facility was not built as required, and it was not being used.	
	(6) Garm Ser ANP District Headquarters: Facility was not built as required, and it was not being used.	
SIGAR Audit 11-09, ANA Facilities at Mazar-e-Sharif and Herat Generally Met Construction Requirements, but Contractor Oversight Should Be Strengthened, April 25, 2011	Our inspection covered two sites—Mazar-e-Sharif and Herat—and each site had its own contractor—CH2M Hill and AMEC Earth and Environmental, Incorporated, respectively. These findings applied to both sites.	Our inspection covered two sites. These recommendations applied to both sites.
Camp Shaheen: \$17.00 Million	(1) The contractors experienced construction delays and cost increases—75 percent schedule growth and an estimated cost overrun of \$1.68 million—because AFCEE did not exercise adequate contractor oversight.	(1) Establish and implement procedures, including specific deadlines, to ensure that contracting officers follow up on contractors' corrective action plans in a timely manner. (AFCEE; Closed-Implemented)
Afghan National Army (ANA) facilities at Camp Zafar: \$11.60 Million	(2) The quality of construction at both sites generally met the contract requirements.	(2) Take immediate action to finalize the performance rating of AMEC Earth and Environmental, Incorporated, the prime contractor at Camp Zafar, and add this rating to the Construction Contractor Appraisal Support System. (AFCEE; Closed-Implemented)
Total: \$28.60 Million		
Air Force Center for Engineering and the Environment (AFCEE)	Individual site findings were as follows:	
	(1) Camp Shaheen: Facility was built as required and was being used.	
	(2) ANA facilities at Camp Zafar: Facility was built as required and was being used.	

SIGAR Inspection 12-1, <i>Construction Deficiencies at Afghan Border Police Bases Put \$19 Million Investment at Risk</i>, July 30, 2012 Lal Por 1: \$4.55 Million Lal Por 2: \$4.48 Million Nazyan Base: \$4.77 Million Total: \$13.80 Million USACE	Our inspection covered three sites. This finding applied to all sites. (1) USACE failed to follow its quality control and assurance processes, and, primarily due to security concerns, did not verify that construction at the bases had been completed prior to acceptance and transfer to CSTC-A. Individual site findings were as follows: Lal Por 1: (1) Facility was not built as required, but it was being used. (2) We observed various construction deficiencies. Lal Por 2: (1) Facility was not built as required, and it was not being used. (2) The base had no viable water supply. (3) We observed various construction deficiencies. Nazyan Base: (1) Facility was not built as required, but it was being used. (2) The base may soon be uninhabitable if the septic system continues to back up into the pipes causing overflow. (3) We observed structural failures as a result of an inadequate drainage system. (4) Most facilities were either unoccupied or not used for their intended purpose.	Our inspection covered three sites. These recommendations applied to all sites. (1) Review the current status of construction deficiencies identified as part of the transfer of the bases, including the critical water supply and septic and sewage system deficiencies, and determine a resolution that is in the best interest of the U.S. government and without unnecessary additional government cost. (USACE; Closed-Implemented) (2) Determine the method of repair for the deficiencies still outstanding, including (a) remediation by the contractor, as part of complying with the contract terms; (b) recovery under warranty, as stipulated in the contract remediation timeframes and warranty terms; and (c) determining whether retainage and liquidated damages should be released to the contractor as part of contract closeout. (USACE; Closed-Implemented) (3) Based on the determination in recommendation 1, prepare a plan of action for the repairs and ensure the repairs are completed, inspected, and approved as expediently as possible. (USACE; Closed-Implemented) (4) For ongoing and future construction contracts, adhere to Federal Acquisition Regulation requirements and USACE Engineering Regulation 1180-1-6 for effectively managing a Quality Management Program, by ensuring that (a) each USACE Resident/Area Office is aware of and has access to the applicable Quality Assurance Surveillance Plan; (b) the contractor has developed an effective Contractor Quality Control Program, which is adequately monitored and assessed through the Quality Assurance Program; (c) construction deficiencies are tracked and remedied in a timely manner, to ensure quality construction is delivered at project completion, as part of the transfer process; and (d) per the terms of the transfer process, the Road & Roof Construction Company provides the requisite operations and maintenance manuals as well as the appropriate technical documents and training required for safe and effective operation of the facilities. (USACE; Closed-Implemented)
SIGAR Audit 12-02, <i>Better Planning and Oversight Could Have Reduced Construction Delays and Costs at the Kabul Military Training Center</i>, October 26, 2011	(1) Facility was not built as required, but it was being used. (2) The project (Phase III) was not completed. The project experienced both cost growth and schedule delays.	(1) Direct that site surveys done in conjunction with the Kabul Military Training Center conceptual master plan be more detailed, including topography and location of existing utilities, so that a more complete picture of additional construction projects can be provided to bidders, thus allowing contract proposals to more accurately reflect reality. We

\$140.00 Million AFCEE	(3) Some completed facilities were not being used as intended. Due to the expanded number of recruits, a gymnasium was being used for housing. (4) The Afghan government does not have the financial or technical capacity to sustain the center once completed.	support CSTC-A's efforts to develop the organic capability to do this and in the interim recommend that CSTC-A, in concert with AFCEE, use existing planning contracts to provide the integration function. (CSTC-A; Closed-Implemented) (2) Ensure that conceptual master plans for future construction projects in support of the ANSF contain more detailed information, including topography and the location of existing utilities, to facilitate the preparation of more accurate contract proposals. (CSTC-A; Closed-Implemented) (3) Ensure that, in the future, Kabul Military Training Center contract and task order files contain complete and consistent information regarding reasons for modifications to the contract and task orders. (AFCEE; Closed-Implemented) (4) Seek reimbursement from the Phase I and II contractor, AMEC Earth and Environmental, Incorporated, for the cost of electrical repairs related to poor performance by its Afghan subcontractors. (AFCEE; Closed-Implemented)
SIGAR Audit 12-03, <i>Afghan National Security University Has Experienced Cost Growth and Schedule Delays, and Contract Administration Needs Improvement</i>, October 26, 2011 \$170.00 Million AFCEE	(1) Facility was built as required, but it was not being used. (2) Construction (Phase I) was not completed, and the project has experienced cost growth and schedule delays. However, the quality of construction at the university generally met contract requirements.	(1) Assure that, in the future, the Afghan National Security University task order file is complete, including complete and consistent documentation as to the reasons for task order modifications and that all notices to proceed are included in the contract files, and consider expanding the practice to all CSTC-A funded task order files. (AFCEE; Closed-Implemented) (2) Assure that out-of-scope modifications are properly justified, approved, and documented. (AFCEE; Closed-Implemented)
SIGAR Inspection 13-1, <i>Kunduz ANA Garrison: Army Corps of Engineers Released DynCorp of All Contractual Obligations Despite Poor Performance and Structural Failures</i>, October 25, 2012 \$55.50 Million USACE	(1) Facility was not built as required, but it was being used. (2) Subsequent SIGAR review determined ongoing problem of failed structures, potential structural failure, and severe soil settling and grading issues. (3) Inadequate construction quality and noncompliance with contract specifications. (4) USACE released the contractor from any further contractual obligations without requiring the contractor to provide remediation of structural failures that will require additional funding above the \$72.8 million paid to the contractor.	(1) Justify the cost of further repairs and remediation of structural failures at Camp Pamir funded with Afghan Security Forces Fund appropriations to ensure that further construction is warranted, at reasonable cost to the U.S. government. (USACE; Closed-Implemented) (2) Submit the DynCorp settlement to an appropriate audit agency for review, in accordance with Federal Acquisition Regulation 49.107(a). Based on the review, the audit agency should submit written comments and recommendations. While the audit results would normally be communicated to the termination contracting officer, due to the questionable nature of the settlement, we further recommend that the audit results and recommendations be reviewed by the Commanding General. (USACE; Closed-Implemented)

		(3) Explain in writing why the settlement was determined to be fair and reasonable. (USACE; Closed-Implemented)
SIGAR Inspection 13-2, Wardak Province National Police Training Center: Contract Requirements Generally Met, but Deficiencies and Maintenance Issues Need to Be Addressed, October 30, 2012 \$96.10 Million USACE	(1) Facility was built as required, and was being used. (2) Buildings and facilities were generally used as intended and constructed in accordance with contract specifications.	(1) Replace diesel fuel tank grounding connections with those specified in the design documents to avoid a potentially dangerous condition. (USACE; Closed-Implemented) (2) Repair roof leaks around the vehicle exhaust ventilation pipes in the vehicle maintenance building. (USACE; Closed-Implemented) (3) Repair the missing storm water outlet grating in the perimeter wall, which could enable a person to gain unauthorized access to the compound. (USACE; Closed-Implemented) (4) Regularly clean silt and construction debris from the storm drain system. (USACE; Closed-Implemented)
SIGAR Inspection 13-3, Gamberi Afghan National Army Garrison: Site Grading and Infrastructure Maintenance Problems Put Facilities at Risk, October 30, 2012 \$126.50 Million USACE	(1) Facility was not built as required, but it was being used. (2) Sustaining the Gamberi ANA garrison continues to be at risk due to the lack of remediation for ongoing flood control issues and inadequate grading.	(1) Repair damaged storm water facilities by repairing eroding ditches and removing sediment and debris on roads, in ditches, and in perimeter wall outlets throughout the garrison. (USACE; Closed-Implemented) (2) Implement mitigating flood control measures, such as adding gravel to low lying roads where flooding regularly occurs to drain these areas more quickly. (USACE; Closed-Implemented) (3) Establish and follow a program to maintain the storm water drainage system and ensure that timely repairs are made to correct the deficiencies that we identified. (USACE; Closed-Implemented) (4) Conduct a structural analysis and design review of the culvert design package and take appropriate actions to correct any deficiencies identified. (USACE; Closed-Implemented)
SIGAR Inspection 13-4, Kunduz Afghan National Police Provincial Headquarters: After Construction Delays and Cost Increases, Concerns Remain About the Facility's Usability and Sustainability, January 24, 2013 \$12.40 Million USACE	(1) Facility was built as required, but it was not being used. (2) Construction was only 50 percent complete, but what was completed appeared adequate. No personnel were occupying the facility. (3) The facility's only source of electrical power is a single diesel generator with no backup or alternate connection to the local electrical grid or other backup electrical power supply. (4) The contractor was having problems with collapsible soil and sink holes on the project site.	(1) Provide electrical back-up at the lift station, such as an auxiliary electrical generator, to provide back-up power to continue pumping untreated sewage into the sewage treatment plant and help mitigate the potential for sewage overflow when the main generator is out of service for repair or maintenance or from unintended power outages. (USACE; Closed-Implemented) (2) Review the decision made at the start of the project to not connect the site to the local electrical grid and, as part of the review, conduct a cost-benefit and technical analysis. The review should factor in the high costs to purchase and deliver fuel to the site for the electrical generator, the capability of the local grid to provide adequate power for the site facilities and equipment, and the need for a

		back-up electrical system. Based on the results, if connection to the local power grid is not feasible, install a back-up site generator or otherwise provide an appropriate back-up electrical power system to prevent loss of electricity across the site when the primary generator is not working. (USACE; Closed-Implemented) (3) Award an operations and maintenance contract at project completion to ensure that the facility is appropriately maintained once occupied. (USACE; Closed-Implemented)
SIGAR Inspection 13-5, Iman Sahib Border Police Company Headquarters in Kunduz Province: \$7.3 Million Facility Sits Largely Unused, January 29, 2013 \$5.70 Million USACE	(1) Facility was built as required, and it was being used. (2) The facility sat largely unused. Only approximately 12 personnel were on site during the SIGAR site inspection, and on-site personnel were not aware of plans to move additional staff into the compound. (3) The facility lacks an emergency supply, e.g., a backup generator. (4) There is no operation and maintenance contract for on-site facilities and equipment, nor are there plans to provide training to local Afghan personnel. (5) The wood-burning stoves were dismantled, and justifications provided conflicted with one another.	(1) Review plans for constructing Afghan Border Police facilities to determine whether site construction contracts can be downsized or facilities redesigned to reduce unnecessary costs or if facilities, including this location, are even needed; and provide an explanation of the review results. (USACE; Closed-Implemented) (2) Rather than relying solely on a single generator, determine the feasibility of installing a backup generator or connecting the site electrical system to the local power grid to prevent loss of electricity across the site when the primary generator is out of service for repair or maintenance or from unintended power outages, including lack of fuel. (USACE; Closed-Implemented) (3) Award an operations and maintenance contract or otherwise provide training to Afghan personnel to ensure that the facility is appropriately maintained after the withdrawal of coalition forces. (USACE; Closed-Implemented) (4) Determine why the Afghan Border Police dismantled the wood-burning stoves at Imam Sahib Border Police Company Headquarters and assess the need to provide wood-burning stoves at other facilities currently under construction or planned for construction in the future. (USACE; Closed-Implemented)
SIGAR Inspection 13-6, Afghan National Police Main Road Security Company, Kunduz Province, Is Behind Schedule, And May Not Be Sustainable, April 17, 2013 \$1.70 Million USACE	(1) Facility was not built as required, and it was not being used. (2) One generator provides all of the compound's electricity, and the contract scope of work has no provision for a backup generator or connection to the municipal power grid. (3) The Afghan power grid was inadequate for the facility's current demand and significant investment was required to connect to the national grid. (4) The project was behind schedule. At the time of our site visit, 54 percent of the	(1) Review the ANP Main Road Security Company site design and install a back-up power system, at least for mission critical systems, to prevent loss of site electricity when the primary generator is out of service for repair or maintenance or from unintended power outages, including the lack of fuel. (USACE; Closed-Not Implemented) (2) Determine an appropriate means for ensuring operation and maintenance of the compound at project completion, and that the site is appropriately maintained as part of the turnover to the Afghan government. (USACE; Closed-Implemented)

	performance period had passed but only 15 percent of the work had been completed.	
SIGAR Inspection 13-7, <i>Qala-i-Muslim Medical Clinic: Serving The Community Well, But Construction Quality Could Not Be Fully Assessed</i> , April 17, 2013 \$0.16 Million Joint Task Force-Kabul	(1) Facility was built as required, and it was being used. (2) The facility was being used for its intended purposes, and enhanced the medical capabilities of the village. (3) Ministry of Public Health was fulfilling its commitment to sustain the medical clinic. (4) No major construction issues were observed.	(1) Ensure that project documentation related to CERP projects complies with CERP guidance. (USFOR-A; Closed-Implemented) (2) Periodically review the Combined Information Data Network Exchange database to ensure that all required project documents are uploaded into the database. (USFOR-A; Closed-Implemented)
SIGAR Inspection 13-8, <i>Forward Operating Base Salerno: Inadequate Planning Resulted in \$5 Million Spent for Unused Incinerators and the Continued Use of Potentially Hazardous Open-Air Burn Pit Operations</i> , April 25, 2013 \$5.40 Million USACE	(1) Facility was built as required, but it was not being used. (2) Inadequate planning resulted in incinerators and supporting facilities that will never be used, or, if used, do not have adequate capacity to provide for the complete disposal of the facility's solid waste. (3) The incinerators were not being maintained due to excessive operation and maintenance costs, and had fallen into disrepair.	(1) Take appropriate measures to prevent a reoccurrence of stagnant water at the Forward Operating Base Salerno incinerator facility. (USFOR-A; Closed-Implemented) (2) Expedite the contract for solid waste removal to facilitate the earlier cessation of open-air burn pit operations. (USFOR-A; Closed-Implemented) (3) Develop a list of disposition options for the Forward Operating Base Salerno incinerators, determine the most cost effective option for the U.S. government, and provide SIGAR the results within 60 days. (USFOR-A; Closed-Implemented)
SIGAR Inspection 13-10, <i>Bathkhak School: Unauthorized Contract Design Changes and Poor Construction Could Compromise Structural Integrity</i> , July 24, 2013 \$0.26 Million Regional Contracting Command-Central	(1) Facility was not built as required, and it was not being used. (2) Afghan ministry officials modified the construction contract without consulting with or obtaining the approval of the U.S. contracting officer. (3) Poor planning and construction resulted in a structurally deficient school building being constructed in an earthquake-prone area.	(1) Prior to turning over the facilities to the Afghans, perform an immediate physical inspection of the two new school buildings, including appropriate engineering tests and analyses, and determine whether to certify the structural integrity of the buildings. (USFOR-A; Closed-Implemented) (2) Require the contractor to correct any deficiencies or substandard work identified during the physical inspection and tests. (USFOR-A; Closed-Implemented) (3) Review the product substitutions made, and, based on a price analysis, determine whether the changes warrant a reduction in the overall cost of the contract. (USFOR-A; Closed-Implemented) (4) Identify the contracting officer(s) responsible for initial oversight of the Bathkhak school construction activities and determine why (a) no oversight visits were made during the first 6 months of construction; (b) no contract modifications were made approving the contractor's substitution of building materials; and (c) no pricing determinations were made of the building materials substituted for those required in the contract. After making these determinations,

		decide what disciplinary action, if any, should be taken against the contracting officer(s) responsible for not properly overseeing construction activities. (USFOR-A; Closed-Implemented)
SIGAR 14-5-IP, Archi District Police Headquarters: Extensive Mold, Lack of Running Water, and Inoperable Electrical Systems Show Facilities Are Not Being Sustained, October 20, 2013 \$0.29 Million USACE	(1) Facility was built as required, and it was being used. (2) The facilities were not being maintained and were in a state of disrepair, with an estimated 40 ANP personnel living and working in facilities with extensive mold growing on the interior walls and ceilings of the barracks and bathrooms. (3) The bathrooms were virtually unusable because of missing sink faucets and showers in disrepair. (4) The facility's water well no longer worked, requiring water to be trucked to the site daily. (5) The facility only had 3 hours of electricity per day, which was provided by a small back-up generator.	(1) Determine why U.S. funds provided to the Ministry of Interior for the operation and maintenance of ANP facilities since December 2012 have not been used to maintain the Archi District Police Headquarters and what corrective actions will be taken to ensure direct funds to the Ministry of Interior for operation and maintenance are used as intended, and report back to SIGAR within 90 days. (North Atlantic Treaty Organization Training Mission-Afghanistan/CSTC-A; Closed-Implemented)
SIGAR 14-10-IP, Walayatti Medical Clinic: Facility Was Not Constructed According to Design Specifications and Has Never Been Used, October 30, 2013 \$0.19 Million Joint Task Force-Kabul	(1) Facility was not built as required, and it was not being used. (2) The clinic was completed; however, it was empty and had never been used. (3) The Ministry of Public Health was not maintaining the clinic, even though Joint Task Force-Kabul and the Ministry of Public Health signed an agreement for the ministry to staff and equip the clinic upon its official transfer to the Afghan government. Ministry officials said they were not aware of their responsibility to do so. U.S. government had failed to coordinate with the Ministry's Policy and Planning directorate and had not officially transferred the facility to the Afghan government.	(1) Take steps to assist the Afghan government in installing the equipment required under the CERF contract or suitable alternative equipment. (USFOR-A; Closed-Implemented) (2) Determine whether Walayatti medical clinic has been officially transferred to the Ministry of Public Health and, if not, take immediate action to do so. (USFOR-A; Closed-Implemented) (3) Work with Ministry of Public Health to take appropriate action to equip, staff, and sustain the medical clinic for the Walayatti village inhabitants. (USFOR-A; Closed-Implemented)
SIGAR 14-13-IP, Forward Operating Base Sharana: Poor Planning and Construction Resulted in \$5.4 Million Spent for Inoperable Incinerators and Continued Use of Open-Air Burn Pits, December 16, 2013 \$5.60 Million	(1) Facility was not built as required, and it was not being used. (2) Incinerators were not used 3 years after completion. (3) Contractor paid in full despite major construction deficiencies and delays, and without testing to see whether incinerators were operational. (4) Even if operational, the two incinerators were built too close together	(1) Conduct an inquiry into the circumstances of the acceptance of the incinerator facility at Forward Operating Base Sharana and the payment of \$5.4 million to the contractor. (USACE; Closed-Not Implemented) (2) Based on the results of this inquiry, determine if any action should be taken against the contracting officer(s). (USACE; Closed-Not Implemented)

USACE	and would have required extensive manual labor to load incinerators and remove ash. (5) As a result, base continued to use open-air burn pit in violation of regulations.	
SIGAR 14-31-IP, <i>Salang Hospital: Lack of Water and Power Severely Limits Hospital Services, and Major Construction Deficiencies Raise Safety Concerns</i> , January 29, 2014 \$0.60 Million Regional Contracting Center-Bagram	(1) Facility was not built as required, but it was being used. (2) The hospital had no electricity or water. (3) Building was three times larger than designed. (4) Unenforced expansion joint in building makes hospital highly susceptible to earthquake damage. (5) Hospital treats about 70 patients daily, but does not provide many intended services like surgery and dental care.	(1) Identify the contracting officer(s) responsible for oversight of the Salang hospital construction activities and determine: (a) why the hospital was not built according to contract specifications and acceptable construction standards; and (b) what disciplinary action, if any, should be taken against the contracting officer(s) who failed to provide required oversight. (USFOR-A; Closed-Implemented) (2) Identify the CERP program manager(s) and project purchasing officer responsible for Salang hospital and determine why required documents were not placed in the Combined Information Data Network Exchange database. (USFOR-A; Closed-Implemented) (3) Perform a physical inspection of the building, including appropriate engineering tests and analyses, and, given its location in a high seismic activity zone, determine what corrections are required to ensure the structural integrity of the building. (USFOR-A; Closed-Implemented)
SIGAR 14-41-IP, <i>Camp Monitor: Most Construction Appears to Have Met Contract Requirements, but It Is Unclear If Facility Is Being Used as Intended</i> , March 12, 2014 \$3.93 Million Regional Contracting Center-Kabul	(1) Facility was not built as required, and it was not being used. (2) Barracks, administration building, and other structures appeared well-built. (3) Dining facility was not completed and contractor had abandoned project. (4) Camp Monitor was empty and unused at time of 2013 inspection. (5) Nine months later, USFOR-A informed SIGAR that the remote camp was now in use by the ANA, and the dining facility was being completed.	None
SIGAR 14-81-IP, <i>Shindand Airbase: Use of Open-Air Burn Pit Violated Department of Defense Regulations</i> , July 14, 2014 \$5.91 Million USACE	(1) Facility was built as required, and it was being used. (2) Two incinerators built for U.S. use were being used after warranty repairs made. (3) Two incinerators installed for use by Afghan military were not being used. (4) Disposal of prohibited waste continued at a burn pit after incinerators were operational.	(1) Determine why the U.S. military continued to send its solid waste to the open-air burn pits at Shindand Airbase for 5 months after incinerators became fully operational. (U.S. Central Command; Closed-Implemented) (2) Determine why prohibited "covered" waste was burned in open-air burn pits at Shindand Airbase as early as January 2011 and why the Department of Defense (DOD) did not notify Congress, as required under Section 317 of the 2010 National Defense

Authorization Act. (U.S. Central Command; Closed-Implemented)		
SIGAR 14-82-IP, Gereshk Cold and Dry Storage Facility: Quality of Construction Appears To Be Good, but The Facility Has Not Been Used to Date, July 16, 2014 \$2.89 Million USACE	(1) Facility was built as required, but it was not being used. (2) Project completion delayed by about 8 months due to threatened and actual Taliban violence.	(1) DOD's Task Force for Business and Stability Operations should ensure that before approving future investment projects of any kind, there are willing investor(s) capable of assuming ownership of and responsibility for maintaining constructed facilities, or, in the absence of investors, that the Afghan Ministry of Commerce and Industry is willing and able to assume those responsibilities itself. (Under Secretary of Defense for Policy; Closed-Implemented)
SIGAR 15-25-IP, ANA Camp Commando Phase II: Power Plant and Fuel Point Not Fully Operational Nearly Two Years After Project Completion, January 6, 2015 \$15.10 Million USACE	(1) Facility was not built as required, but it was being used. (2) Power from new \$7 million electrical plant limited to one quarter of intended maximum output because of an unauthorized connection by the ANA damaged the plant. (3) Fuel station appeared well-built but fuel pumps were never used. (A second fuel station costing \$1 million was built nearby and also was not being used.)	(1) Determine the amount paid to the Phase II contractor for required work that was not completed on the camp's power plant and fuel point, and, where appropriate, recoup those funds. (USACE; Closed-Implemented) (2) Provide documentation showing that the power plant's electrical system has been fully tested and commissioned. (USACE; Closed-Implemented) (3) Determine the reason(s) why the ANA has not used the Phase II fuel point to dispense fuel for vehicles, and, based on the results, decide whether steps should be taken to make it operational. (USACE; Closed-Not Implemented) (4) Determine the circumstances leading to the acceptance of the Phase II work as completed, with full payment made to the contractor, when known deficiencies existed. Based on the results, determine what disciplinary action, if any, should be taken against the contracting officer or contracting officer's representative. (USACE; Closed-Implemented)
SIGAR 15-27-IP, Afghan Special Police Training Center's Dry Fire Range: Poor Contractor Performance and Poor Government Oversight Led to Project Failure, January 13, 2015 \$0.46 Million Regional Contracting Center-Forward Operating Base Shank	(1) Facility was not built as required, but it was being used. (2) The facility was used, but buildings began to disintegrate 4 months after construction because of substandard building materials and construction. (3) Facility was demolished and was being rebuilt with Afghan government funds.	(1) Determine the extent to which Qesmatullah Nasrat Construction Company substituted building materials without authorization or did not complete work according to the contract requirements and, where appropriate, recoup those funds. (U.S. Central Command; Open) (2) Identify the contracting officer and contracting officer's representatives responsible for oversight of the construction activities and determine: - why the range was not built according to contract requirements and acceptable construction standards; and - what disciplinary action should be taken against these contracting officials for failing to provide adequate oversight. (U.S. Central Command; Open)

SIGAR 15-51-IP, <i>Afghan National Army Slaughterhouse: Stalled Construction Project Was Terminated After \$1.25 Million Spent</i>, April 20, 2015 \$12.00 Million USACE	(1) Facility was not built as required, and it was not being used. (2) Project was terminated for convenience 9 months after construction began. (3) A partially built security perimeter wall around a largely open field resulted. (4) Termination came as a result of a separate DOD program reducing facility inventory.	None
SIGAR 15-74-IP, <i>\$14.70 Million Warehouse Facility at Kandahar Airfield: Construction Delays Prevented Facility From Being Used as Intended</i>, July 15, 2015 \$13.50 Million USACE	(1) Facility was built as required, but it was not being used. (2) Defense Logistics Agency warehouse facility was well constructed, with a few minor deficiencies. (3) The project experienced delays due to poor performance of the first contractor. (4) The construction contract price was higher than originally planned and continued to increase even after the U.S. Army, USFOR-A, and Defense Logistics Agency knew the facility was no longer needed. (5) Defense Logistics Agency never used the facility. The facility remained empty after it took custody, with a few minor exceptions.	(1) Determine and identify, and report back to SIGAR within 90 days, who made the decision, and why, to allow contract modifications to be made and additional funds to be spent on the warehouses after the decision was made in August 2013 to end the Defense Logistics Agency's mission in Kandahar. (U.S. Central Command; Open)

Source: SIGAR analysis of inspection reports through September 2015

Note: *The total contract amount of \$5.9 million included one facility, Bughran ANP District Headquarters (\$0.84 million), that was later de-scoped from the contract and, as a result, was not included in our inspection.

APPENDIX III - BUILDING AND USAGE INFORMATION FOR SIGAR INSPECTION REPORTS ON DEPARTMENT OF DEFENSE RECONSTRUCTION PROJECTS IN AFGHANISTAN FOR JULY 2009 THROUGH SEPTEMBER 2015

Table 2 lists SIGAR's inspection reports, issued from July 2009 through September 2015, on Department of Defense reconstruction projects in Afghanistan, along with information about whether the facilities were built as required and were being used.

Table 2 - SIGAR Inspection Reports, Along with Building and Usage Information

Report Number, Title, and Date Issued	Built as Required	Facilities Used
SIGAR Inspection 09-01, <i>Improvements to the Khowst City Electrical Power System: Safety and Sustainability Issues Were Not Adequately Addressed</i> , July 28, 2009	No	Yes
SIGAR Inspection 09-02, <i>Mahmood Raqi to Nijrab Road Construction Project in Kapisa Province: Contract Requirements Met, But Sustainability Concerns Exist</i> , October 2, 2009	Yes	Yes
SIGAR Inspection 10-01, <i>Farukh Shah School Construction Project, Kapisa Province: Project Completion Approved Before All Contract Requirements Met</i> , October 26, 2009	No	Yes
SIGAR Inspection 10-02, <i>Abdul Manan Secondary School Construction Project in Kapisa Province: Insufficient Planning, Safety Problems, and Poor Quality Control Affect Project Results</i> , October 26, 2009	No	No
SIGAR Inspection 10-03, <i>Habib Rahman Secondary School Construction Project in Kapisa Province: Design and Safety Issues Require Attention</i> , October 26, 2009	No	No*
SIGAR Inspection 10-04, <i>Kohi Girls' School Construction Project in Kapisa Province: Construction Delays Resolved, But Safety Concerns Remain</i> , October 26, 2009	Yes	No*
SIGAR Audit 10-07, <i>The Tojg Bridge Construction is Nearly Complete, but Several Contract Issues Need to Be Addressed</i> , March 1, 2010	No	No*
SIGAR Audit 10-09, <i>ANA Garrison at Kunduz Does Not Meet All Quality and Oversight Requirements; Serious Soil Issues Need to Be Addressed</i> , April 30, 2010	No	No
SIGAR Audit 10-10, <i>ANA Garrison at Gamberi Appears Well Built Overall but Some Construction Issues Need to Be Addressed</i> , April 30, 2010	Yes	No*
SIGAR Audit 10-12, <i>ANP Compound at Kandahar Generally Met Contract Terms but Has Project Planning, Oversight, and Sustainability Issues</i> , July 22, 2010	Yes	No
SIGAR Audit 10-14, <i>ANA Garrison at Farah Appeared Well Built Overall but Some Construction Issues Should Be Addressed</i> , July 30, 2010	No	Yes

SIGAR Audit 11-03, ANP District Headquarters Facilities in Helmand and Kandahar Provinces Have Significant Deficiencies Due to Lack of Oversight and Poor Contractor Performance, October 27, 2010

Garm Ser Afghan National Police (ANP) District Headquarters	No	No
Nad Ali ANP District Headquarters	No	Yes
Nahri Saraj ANP District Headquarters	No	Yes
Spin Boldak ANP District Headquarters	No	No
Takha Pul ANP District Headquarters	No	No
Zeheli ANP District Headquarters	No	No

SIGAR Audit 11-09, ANA Facilities at Mazar-e-Sharif and Herat Generally Met Construction Requirements, but Contractor Oversight Should Be Strengthened, April 25, 2011

Afghan National Army (ANA) Facilities at Mazar-e-Sharif: Camp Shaheen	Yes	Yes
ANA Facilities at Herat: Camp Zafar	Yes	Yes

SIGAR Inspection-12-1, Construction Deficiencies at Afghan Border Police Bases Put \$19 Million Investment at Risk, July 30, 2012

Lal Por 1	No	Yes
Lal Por 2	No	No
Nayzan Base	No	Yes

SIGAR Audit 12-02, Better Planning and Oversight Could Have Reduced Construction Delays and Costs at the Kabul Military Training Center, October 26, 2011

No Yes

SIGAR Audit 12-03, Afghan National Security University Has Experienced Cost Growth and Schedule Delays, and Contract Administration Needs Improvement, October 26, 2011

Yes No

SIGAR Inspection 13-1, Kunduz ANA Garrison: Army Corps of Engineers Released Dyncorp of All Contractual Obligations Despite Poor Performance and Structural Failures, October 25, 2012

No Yes

SIGAR Inspection 13-2, Wardak Province National Police Training Center: Contract Requirements Generally Met, but Deficiencies and Maintenance Issues Need to Be Addressed, October 30, 2012

Yes Yes

SIGAR Inspection 13-3, Gamberi Afghan National Army Garrison: Site Grading and Infrastructure Maintenance Problems Put Facilities at Risk, October 30, 2012

No Yes

SIGAR Inspection-13-4, Kunduz Afghan National Police Provincial Headquarters: After Construction Delays and Cost Increases, Concerns Remain About the Facility's Usability and Sustainability, January 24, 2013

Yes No

SIGAR Inspection-13-5, Iman Sahib Border Police Company Headquarters in Kunduz Province: \$7.3 Million Facility Sits Largely Unused, January 29, 2013

Yes Yes

SIGAR Inspection 13-6, Afghan National Police Main Road Security Company, Kunduz Province, Is Behind Schedule, And May Not Be Sustainable, April 17, 2013	No	No*
SIGAR Inspection 13-7, Qala-i-Muslim Medical Clinic: Serving The Community Well, But Construction Quality Could Not Be Fully Assessed, April 17, 2013	Yes	Yes
SIGAR Inspection 13-8, Forward Operating Base Salerno: Inadequate Planning Resulted in \$5 Million Spent for Unused Incinerators and the Continued Use of Potentially Hazardous Open-Air Burn Pit Operations, April 25, 2013	Yes	No
SIGAR Inspection 13-10, Bathkhak School: Unauthorized Contract Design Changes and Poor Construction Could Compromise Structural Integrity, July 24, 2013	No	No*
SIGAR Inspection 14-5-IP, Archi District Police Headquarters: Extensive Mold, Lack of Running Water, and Inoperable Electrical Systems Show Facilities Are Not Being Sustained, October 20, 2013	Yes	Yes
SIGAR 14-10-IP, Walayatti Medical Clinic: Facility Was Not Constructed According to Design Specifications and Has Never Been Used, October 30, 2013	No	No
SIGAR 14-13-IP, Forward Operating Base Sharana: Poor Planning and Construction Resulted in \$5.4 Million Spent for Inoperable Incinerators and Continued Use of Open-Air Burn Pits, December 16, 2013	No	No
SIGAR 14-31-IP, Salang Hospital: Lack of Water and Power Severely Limits Hospital Services, and Major Construction Deficiencies Raise Safety Concerns, January 29, 2014	No	Yes
SIGAR 14-41-IP, Camp Monitor: Most Construction Appears to Have Met Contract Requirements, but It Is Unclear if Facility Is Being Used as Intended, March 12, 2014	No	No
SIGAR 14-81-IP, Shindand Airbase: Use of Open-Air Burn Pit Violated Department of Defense Regulations, July 14, 2014	Yes	Yes
SIGAR 14-82-IP, Gereshk Cold and Dry Storage Facility: Quality of Construction Appears To Be Good, but The Facility Has Not Been Used to Date, July 16, 2014	Yes	No
SIGAR 15-25-IP, ANA Camp Commando Phase II: Power Plant and Fuel Point Not Fully Operational Nearly Two Years After Project Completion, January 6, 2015	No	Yes
SIGAR 15-27-IP, Afghan Special Police Training Center's Dry Fire Range: Poor Contractor Performance and Poor Government Oversight Led to Project Failure, January 13, 2015	No	Yes
SIGAR 15-51-IP, Afghan National Army Slaughterhouse: Stalled Construction Project Was Terminated After \$1.25 Million Spent, April 20, 2015	No	No

SIGAR 15-74-IP, \$14.7 Million Warehouse Facility at Kandahar Airfield:
Construction Delays Prevented Facility From Being Used as Intended, July 15,
2015

Yes

No

Source: SIGAR analysis of inspection reports through September 2015

* These facilities were not being used because they were still under construction within their originally scheduled completion date.

APPENDIX IV - COMMENTS FROM U.S. FORCES-AFGHANISTAN



HEADQUARTERS
UNITED STATES FORCES-AFGHANISTAN
BAGRAM, AFGHANISTAN
APO AE 09354

DCGS/USFOR-A

March 7, 2016

Mr. John F. Sopko
Special Inspector General for Afghanistan Reconstruction
1550 Crystal Drive, Suite 900
Arlington, VA 22202

Dear Mr. Sopko:

Reference: SIGAR I-30 Draft Report; Special Inspector General for Afghanistan Reconstruction (SIGAR).

Thank you for providing USFOR-A with the opportunity to review the SIGAR draft report titled, "Department of Defense Reconstruction Projects: Summary of SIGAR Inspection Reports Issued from July 2009 through September 2015."

USFOR-A is a staunch supporter of the transparency enterprise, and serves as an active partner in advancing this endeavor. The value of this report lies in consolidating lessons which may benefit organizations charged with construction efforts in similar environments. However, this selection of projects is not a random sampling from among the hundreds of construction projects executed, but rather a selection of projects with shared issues. Additionally, readers should note this report does not represent new research, but re-publishes earlier reports going back as far as six (6) years without an associated update. USFOR-A and its partners have made significant progress on the cited discrepancies since the original reports were published.

We appreciate SIGAR's mission to advance the cause of good stewardship and effective use of American funds. The men and women of USFOR-A remain committed to continuous improvement and advancing our partnership with SIGAR in this shared effort.

The point of contact for this action is Colonel Darren D. Sprunk, at email [REDACTED] or by DSN [REDACTED].

Sincerely,

Jeffrey L. Bannister
Jeffrey L. Bannister
Major General, U.S. Army
Deputy Commander, Support
United States Forces-Afghanistan

APPENDIX V - COMMENTS FROM THE U.S. ARMY CORPS OF ENGINEERS



DEPARTMENT OF THE ARMY
UNITED STATES ARMY CORPS OF ENGINEERS
TRANSATLANTIC DIVISION
201 PRINCE FREDERICK DRIVE
WINCHESTER, VIRGINIA 22602-4373

03 MAR 2016

Mr. John F. Sopko
Special Inspector General for Afghanistan Reconstruction
1550 Crystal Drive, Suite 900
Arlington, VA 22202

Dear Mr. Sopko:

The United States Army Corps of Engineers (USACE) Transatlantic Division is providing this response to the Special Inspector General for Afghanistan Reconstruction (SIGAR) Draft Audit Report, "Department of Defense Reconstruction Projects: Summary of SIGAR Inspection Reports Issued from July 2009 through September 2015."

This report has no new recommendations. However, according to SIGAR, nine recommendations remain open, four belonging to USACE. Upon further discussion with SIGAR, it has been acknowledged that there are no open recommendations with USACE.

USACE appreciates SIGAR's acknowledgement of the challenges posed by the combined negative impacts of the high threat security environment and the forces drawdown on sustaining continuous construction surveillance and quality control. We appreciate your remarks that we promptly responded to 90 percent of the deficiencies noted in the 27 USACE reports addressed. However, in our opinion, the 27 USACE projects summarized in this report are not a representative sample of the over 1,200 projects that USACE has executed over the past 12 years in Afghanistan. We also concur that the life safety issues discovered were troublesome. We remain firmly committed to continuously improving our approach to construction quality assurance.

Finally, regarding the Afghan National Army (ANA) Slaughterhouse Project, we note that only 10 percent of construction progress was complete at the time the project was terminated for convenience.

My point of contact for this response is Mr. Mike Hatchett, Internal Review Auditor who can be reached by e-mail at [REDACTED] or via phone at [REDACTED]

Sincerely,

Christopher A. Hussin
Christopher A. Hussin
Colonel, U.S. Army
Chief of Staff

APPENDIX VI - ACKNOWLEDGMENTS

Daniel Domke, Senior Inspections Manager

Warren Anthony, Senior Auditor

Nicole Stauch, Program Analyst

Madeline Krahn, Student Trainee

This work was conducted under project code
SIGAR-I-030.

SIGAR's Mission

The mission of the Special Inspector General for Afghanistan Reconstruction (SIGAR) is to enhance oversight of programs for the reconstruction of Afghanistan by conducting independent and objective audits, inspections, and investigations on the use of taxpayer dollars and related funds. SIGAR works to provide accurate and balanced information, evaluations, analysis, and recommendations to help the U.S. Congress, U.S. agencies, and other decision-makers to make informed oversight, policy, and funding decisions to:

- improve effectiveness of the overall reconstruction strategy and its component programs;
- improve management and accountability over funds administered by U.S. and Afghan agencies and their contractors;
- improve contracting and contract management processes;
- prevent fraud, waste, and abuse; and
- advance U.S. interests in reconstructing Afghanistan.

Obtaining Copies of SIGAR Reports and Testimonies

To obtain copies of SIGAR documents at no cost, go to SIGAR's Web site (www.sigar.mil). SIGAR posts all publicly released reports, testimonies, and correspondence on its Web site.

To Report Fraud, Waste, and Abuse in Afghanistan Reconstruction Programs

To help prevent fraud, waste, and abuse by reporting allegations of fraud, waste, abuse, mismanagement, and reprisal, contact SIGAR's hotline:

- Web: www.sigar.mil/fraud
- Email: sigar.pentagon.inv.mbx.hotline@mail.mil
- Phone Afghanistan: +93 (0) 700-10-7300
- Phone DSN Afghanistan: 318-237-3912 ext. 7303
- Phone International: +1-866-329-8893
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Public Affairs Officer

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Arlington, VA 22202